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ABSTRACT

According to reliable statistical information from a wide variety of sources, the hospitality industry in the United Kingdom is a significant growth industry that employed more than 2 million people (7% of the country's work force) in 1994. Of those individuals, 685,000 were employed in catering services sectors (with hospitals, retirement/nursing homes, and other medical centers providing 44% of those catering jobs). In 1991, the hospitality industry was represented by employees in 264,500 establishments in the commercial sectors (87% of which were small establishments with staffs of 10 or fewer individuals). In 1987-1995, the hospitality industry registered higher numbers of unfilled vacancies than other industries, and, in 1994, 28% of employers in the hospitality industry experienced recruitment difficulties. Of hospitality employees seeking alternative employment in spring 1994, the highest percentages were waiting/bar staff, kitchen porters, catering assistants, and chefs/cooks. Levels of hospitality industry-provided training increased slightly from 1992 to 1994. Of hospitality employers with more than 25 employees, 64% had a training plan and 43% had a training budget (the corresponding percentages for all industry were 64% and 55%). Hospitality industry employees were less qualified and significantly less well paid than the national work force overall. (Contains 99 tables/figures.) (MN)

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ED 403 437

REPORT 1996

HOSPITALITY TRAINING FOUNDATION

Catering and hospitality industry

KEY FACTS *AND* FIGURES

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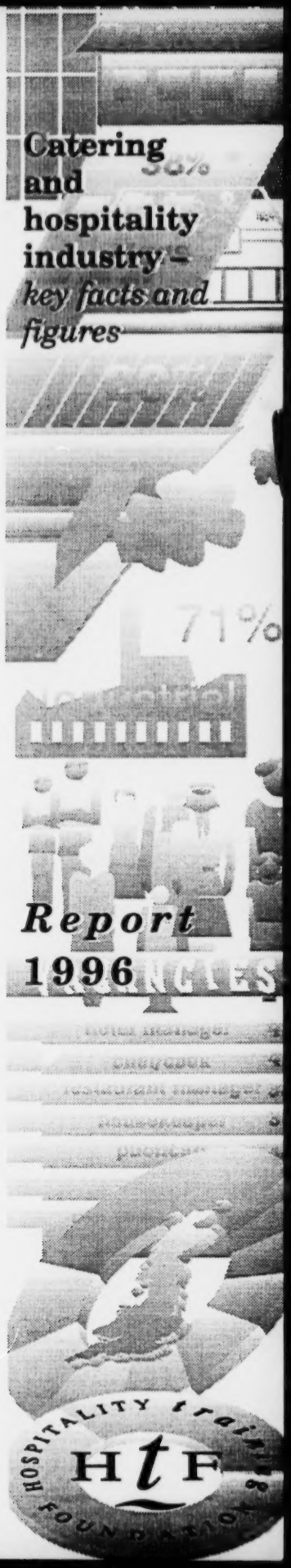
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1996
HOSPITALITY TRAINING
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SECTION 1

Executive summary

The UK hospitality industry is a significant growth industry employing over 2 million people, 7% of the total UK workforce. Operating in a diverse range of sectors, its activities impact on the daily lives of almost every member of society. The industry is involved in providing food, drink and accommodation to meet the needs of the domestic and international leisure and tourism market as well as factory and office workers, school children, hospital patients, shoppers, prisoners and many more.

This report brings together reliable statistical information from a wide variety of sources. The result is the most comprehensive summary available of key facts and figures about the hospitality industry. It includes information on numbers of establishments, employment levels, skills shortages, training activity, qualification levels and pay and earnings.

The report is therefore a valuable reference source for all those involved in the hospitality industry. This executive summary highlights a few of these vital industry statistics.

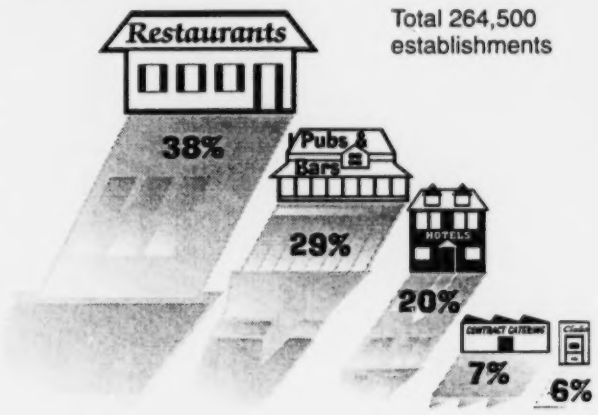
Number of establishments

The hospitality industry in 1991 comprised over a quarter of a million establishments in the commercial sectors. Restaurants had the largest share of the market and were least affected by the 1990 recession. Indeed, between 1984 and 1991 restaurants increased their market share by 14%, accounting for 38% of all commercial establishments by 1991 (Figure 1.1).

Contract catering saw a 10% increase in number of outlets between 1984 and 1991, reflecting the growing tendency of both business and the public sector to switch from in-house catering to outside contractors. On the other hand, the number of hotels fell by 9% in that period.

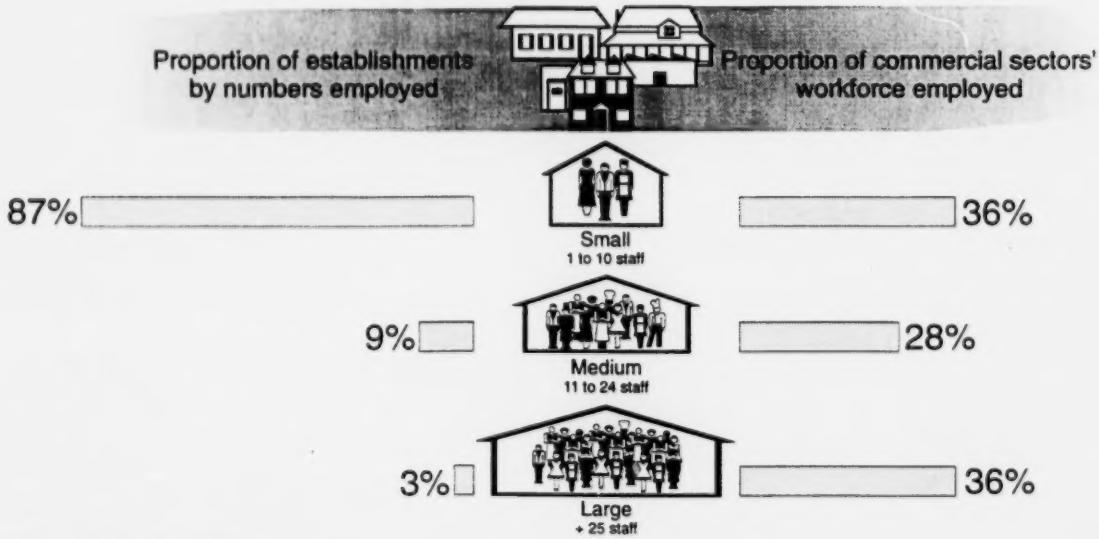
Small establishments (employing less than 10 staff) formed the majority of the industry, accounting for 87% of establishments in 1991 (Figure 1.2). However, they employed just 36% of the commercial sectors' workforce.

Figure 1.1
Proportion of establishments in the commercial sectors, 1991



Source: Census of Employment

Figure 1.2
Commercial establishments by numbers employed, 1991



Source: Census of Employment

The South East had the highest concentration of catering and hospitality outlets (31%). This figure is roughly in line with the proportion of the total population (33%) in that region. The next highest proportions were the North West, South West (both 11%) and Scotland (10%), all important tourist destinations (Figure 1.3).

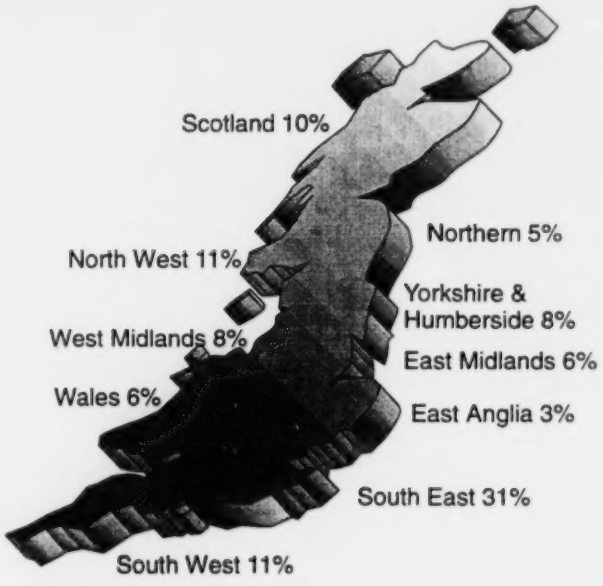
Employment

In 1994, over 2 million people were employed in the hospitality industry, 7% of the total UK workforce. Restaurants, pubs/bars, hotels, contract catering, clubs and related establishments such as guesthouses and take-aways – the *commercial sectors* – employed 1.3 million people, two-thirds of the industry's total workforce.

Pubs and bars were the largest employer in 1994, with 24% of the commercial sector workforce (Figure 1.4), followed closely by restaurants and hotels (both with 23%). However, the numbers working in pubs/bars were down slightly on 1992, whereas restaurants employed 5% more people, and hotels 4% more. This reflects the industry's slow recovery from the recession of the early 1990s, which affected much of the UK economy in a similar way.

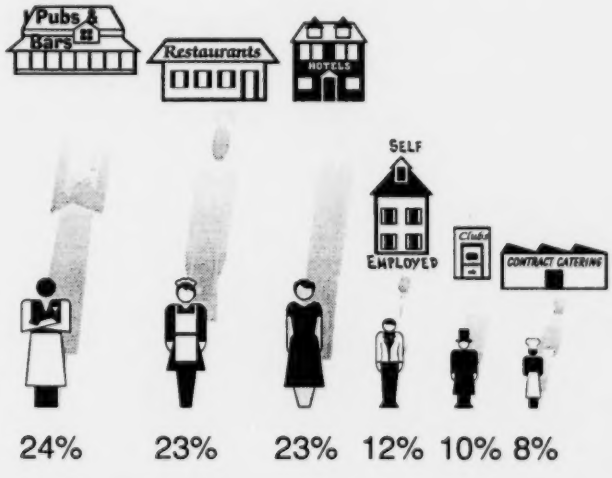
Employment in contract catering was unchanged in 1994, compared to 1992. The numbers employed in clubs fell marginally.

Figure 1.3
Commercial establishments by region, 1991



Source: Census of Employment
Note: includes establishments owned or managed by self-employed people

Figure 1.4
Employment in the commercial sectors, 1994



Source: Census of Employment/Labour Force Survey

Some 685,000 people were employed in 1994 in catering and housekeeping/domestic services jobs in a wide range of establishments where the main activity is not catering or the provision of accommodation – the *catering services sectors*. Hospitals, retirement and nursing homes and other medical centres provided 44% of these catering jobs (Figure 1.5). The next largest group, 24%, were in schools, colleges, universities and other educational establishments.

Employment in the catering services sectors fell between 1994 and 1992 by 62,000 or 8%. Much of this decline can be attributed to the changes affecting the National Health Service and all levels of education and public administration.

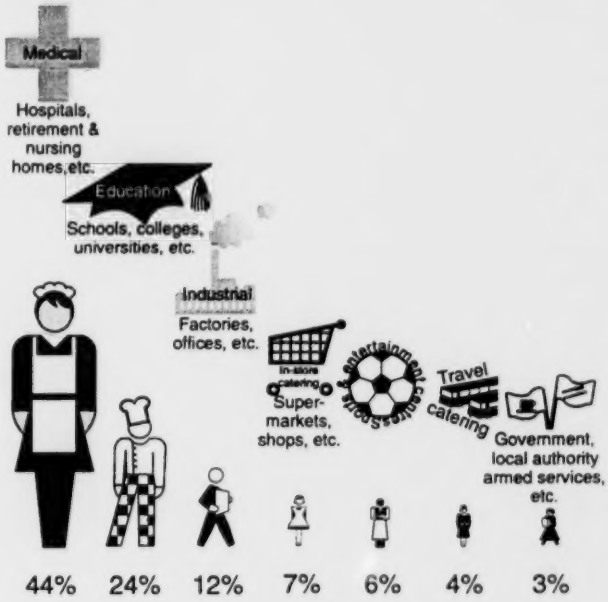
The numbers working in the catering outlets of department stores, supermarkets, and other retail businesses increased marginally, accounting for 7% of the catering services sectors employment in 1994, compared to 6% in 1992. The number of catering jobs in sports centres, theatres, cinemas and similar establishments also increased by 1%.

Females dominated the industry accounting for 73% of its workforce in 1994. The proportion of females was higher in the catering services sectors: 86% as opposed to 63% in the commercial sectors.

In 1994, the majority of employees in the hospitality industry (65%) worked part-time (less than 30 hours per week). In the catering services sectors, 70% of employees classified themselves as part-time, in the commercial sectors, 60%. The proportion of part-time workers was highest in pubs/bars and clubs.

The proportion of young people (under 24 years of age) in the industry increased from 22% in 1984 to 31% in 1994. In 1994, 43% of employees in the commercial sectors were under 30 years of age (Figure 1.6).

Figure 1.5
Employment in catering services sectors, 1994



Source: Census of Employment/Labour Force Survey

Figure 1.6
Employment in the commercial sectors by age, 1994

Source: Labour Force Survey

The hospitality industry is a growth industry: over 130,000 new jobs will be created between 1995 and 1999 and a further 180,000 in the five years to 2004[1]. Much of this growth will occur in the commercial sectors.

Skill shortages

The hospitality industry registered higher levels of skill shortages than other industries, as measured by the ratio of unfilled vacancies between 1987–95 (Figure 1.7).

In 1994, 28% of employers in the hospitality industry experienced recruitment difficulties. These were mainly for hotel and restaurant managers, publicans, chefs/cooks, housekeepers, waiting staff and catering assistants (Figure 1.8).

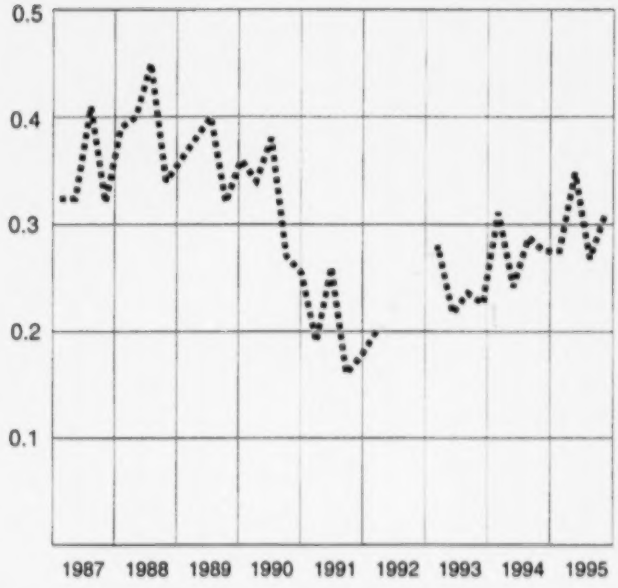
These occupations have historically shown relatively high levels of skill shortages. This was so even at the height of the recession.

Skill shortages varied by region. In 1995, the regions with the highest levels were: East Midlands (39%), South East (38%), East Anglia (38%), Wales (35%), Yorkshire and Humberside (32%) and Scotland (32%).

Of those hospitality employees seeking alternative employment in Spring 1994, the highest proportions were waiting and bar staff, kitchen porters, catering assistants and chefs/cooks.

[1] *Employment Forecasts Update 1995–2004*, HtF, 1996

Figure 1.7
Ratio of unfilled vacancies in catering and hospitality



Source: Department for Education & Employment/NOMIS
Note: no data available for 2nd, 3rd and 4th quarters of 1992

Figure 1.8
Occupations difficult to recruit, 1994

Source: Department for Education & Employment/NOMIS

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Training

There was a slight increase in the levels of training provided by the hospitality industry between 1992 and 1994. Waiting and bar staff, chefs/cooks and housekeepers were most likely to receive training.

In line with employers in all industries, 64% of hospitality employers employing more than 25 staff had a training plan. Only 43% of hospitality employers who provided training had a training budget, compared to 55% of employers in all industries (Figure 1.9).

Of those leaving youth training programmes in the hospitality industry between 1993 and 1994, 52% went straight into employment: 22% stayed with the same employer, 21% moved to a different employer, 8% were employed part-time and 1% were self-employed. One-quarter of youth trainees were unemployed on leaving.

Figure 1.9

Employers who had a training plan and training budget, 1994

Source: Skill Needs in Britain, IFF Research, 1994

Qualifications

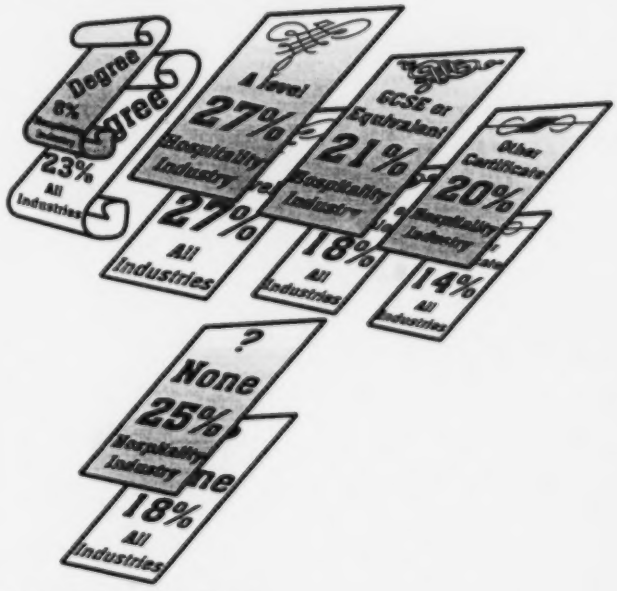
Employees in the hospitality industry were less qualified than the average total UK workforce. A quarter of the hospitality workforce held no qualifications, compared to 18% of the total working population, 7.5% held a degree or equivalent qualification, compared to 23% (Figure 1.10).

This lack of qualifications is particularly pronounced amongst managers in the commercial sectors. Just 13% held a degree or BTEC Higher Diploma or equivalent, compared to 42% for the economy as a whole.

Hotel managers compared rather better: 21.5% held a degree or equivalent. A relatively small proportion of chefs and cooks held craft qualifications: 16% had City & Guilds. Occupations with high proportions of unqualified staff were cleaners/domestics (61%), domestic housekeepers (58.5%), non-domestic housekeepers (53%), hospital ward assistants (35%), kitchen porters (35%) and catering assistants (34%).

Figure 1.10

Qualifications held, catering and hospitality compared to all industries, Spring 1994



Source: Labour Force Survey

More encouragingly, the gap between hospitality and the total UK workforce has narrowed significantly. In 1992, 35% of those working in hospitality held no qualifications (compared to 25% in 1994).

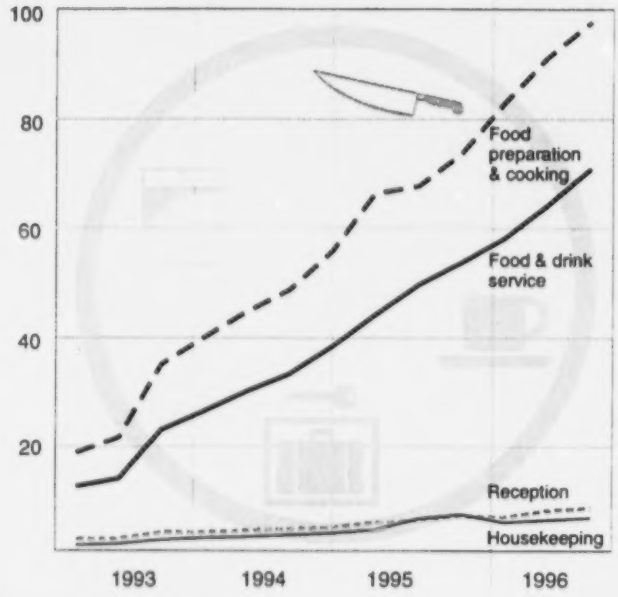
NVQ/SVQ take-up

By March 1996, 182,944 candidates had registered for NVQs/SVQs at 1,088 approved centres and 46,490 NVQs/SVQs had been awarded. The bulk of the registrations and awards were for levels 1 and 2: 92% of the total. Only 5% of the awards were at level 3, 55% at level 2, and 40% at level 1. This reflects the numbers of people employed in the industry in occupations requiring competencies at these levels.

Food preparation and cooking and food and drink service were the most popular NVQs/SVQs, showing a steady increase between March 1993 and March 1996 (Figure 1.11). Reception and housekeeping lagged disappointingly.

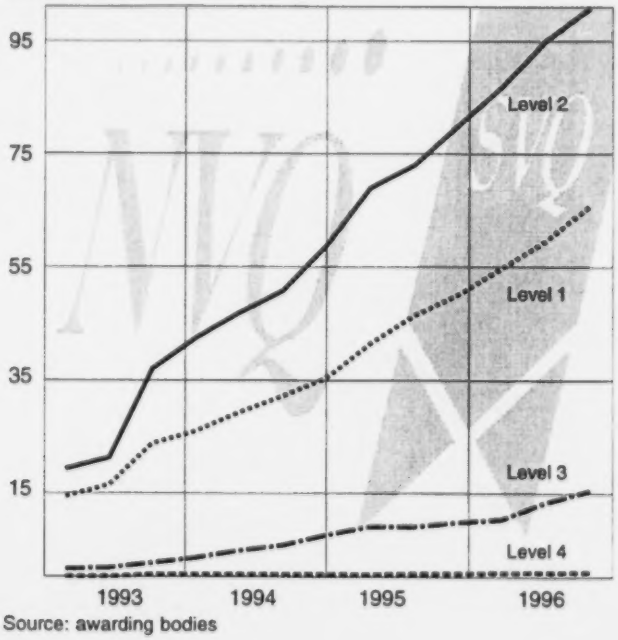
Take-up of NVQs/SVQs has been fastest at levels 1 and 2 (Figure 1.12). On-licensed premises qualifications accounted for much of the increase at levels 3 and 4, as major employers in that sector concluded successful pilots, and adopted NVQs/SVQs throughout all their operations. This example is expected to be followed in other sectors, especially hotels and restaurants.

Figure 1.11
Total NVQ/SVQ registrations by functional area, March 1993–96 (thousands)



Source: awarding bodies

Figure 1.12
Total NVQ/SVQ registrations by level, March 1993–96 (thousands)



Source: awarding bodies

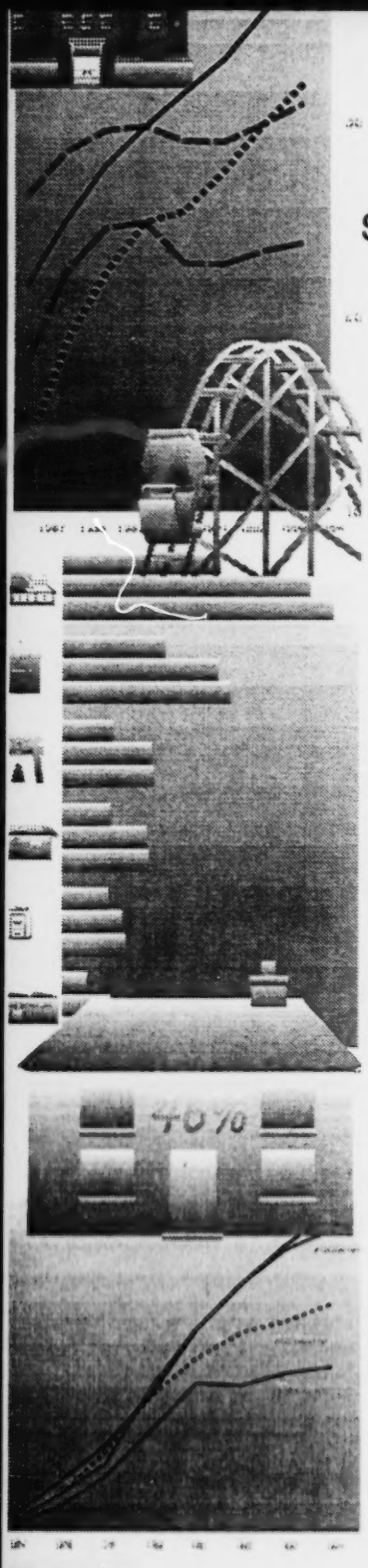
Pay and earnings

Average earnings in catering and hospitality were below the average for all industries. In the commercial sectors of the industry, the average gross weekly earnings for full-time employees on adult rates in April 1995 was £216.10, compared to £336.30 for all industries.

Average weekly pay for females (£185.10) was just over 76% of that for males (£242.20). Manual workers earned considerably less than non-manual workers: £175.10 per week compared to £282.80.

In general, kitchen staff were better paid than those in service positions. This reflects the greater opportunities 'front of house' staff have to earn gratuities.

Some employers are increasing wage levels in anticipation of the introduction of a statutory minimum wage, according to reports in the trade press. Another reason given has been the need to attract higher calibre staff.



SECTION **2**

Business indicators

This section provides background information on the various factors that can affect business levels in the hospitality industry.

Those examined are: background economic indicators, consumer expenditure, prices, financial turnover, hotel occupancy levels, numbers of meals served by contract caterers, numbers of visitors and other travel/tourism related data.

Background economic indicators

Gross domestic product (GDP) declined in 1991 and 1992, reflecting the impact of the severe recession that hit the UK economy during that period. Real disposable income rose moderately through the recession. This fed through to an improvement in retail sales volumes, which by 1993 had more than recovered their 1990 position (Table 2.1).

Table 2.1
Background economic indicators (1990 = 100)

	1989	1990	1991	1992	1993	1994
GDP	99.4	100.0	97.9	97.4	99.4	103.4
Real disposable income	98.2	100.0	100.1	102.8	104.3	105.5
Retail sales volume	99.3	100.0	98.9	99.5	103.0	106.7

Source: Central Statistical Office Table 2.2

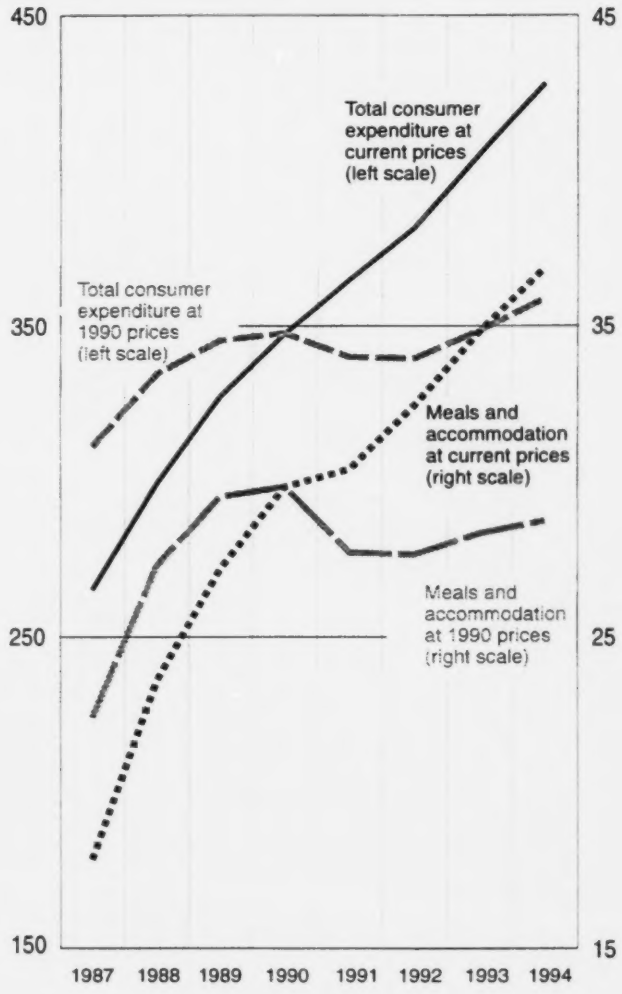
Consumer expenditure

The post-recession increase in consumer spending was mirrored by an increase in spending on meals and accommodation (Figure 2.1). This reflects the sensitivity of the commercial catering and hospitality sectors to changes in the real disposable income of consumers and the performance of the economy as a whole.

Despite the subdued housing market and employment uncertainties, consumer spending rose by 5.6% between 1993 and 1994. Spending on meals and accommodation rose faster than this – by 6.2% in the same period – suggesting that consumers were spending a greater proportion of their disposable income in catering and hospitality outlets.

This trend seems well established. Over the period 1987 to 1994, consumer spending on meals and accommodation rose as a proportion of the total from 6.7% to 8.6% (Table 2.2).

Figure 2.1
Consumer expenditure (£000s million)



Source: Central Statistical Office

Table 2.2
Meals and accommodation as proportion of total consumer expenditure (percentages)

	1987	1988	1989	1990	1991	1992	1993	1994
Current prices	6.7	7.9	8.3	8.6	8.3	8.5	8.6	8.6
1990 prices	7.2	8.2	8.5	8.6	8.2	8.1	8.1	8.0

Source: Central Statistical Office

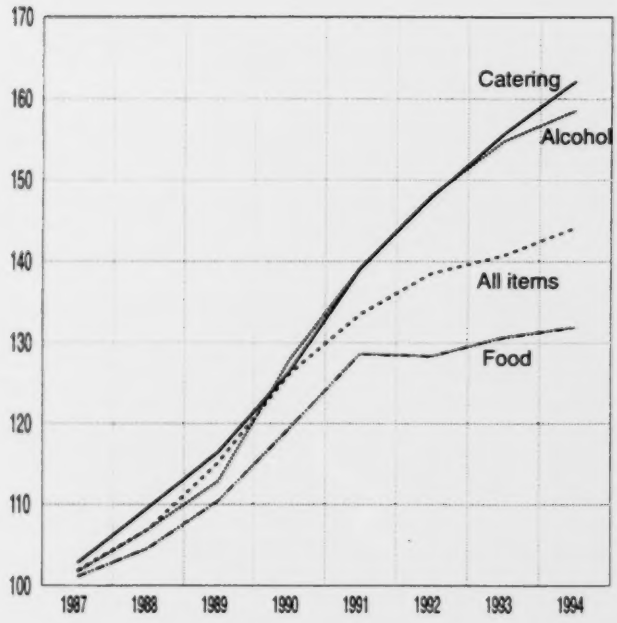
Prices

Prices charged for meals and non-alcoholic drinks in restaurants and canteens, take-away and snack outlets (labelled as *Catering* in Figure 2.2) rose substantially faster than the prices of all goods and services (labelled *All items*). They also rose faster than food prices and since 1993 have surpassed the prices of alcoholic drinks.

Other evidence confirms that the hospitality industry has pushed up prices at a more rapid rate than the economy as a whole[1]. Industrial catering had the fastest increase, with prices going up 8.5% between January 1993 and July 1994, double the growth in the retail price index of 4.4%.

[1] BDO Stoy Hayward

Figure 2.2
Index of retail prices



Source: Central Statistical Office

Annual average (Jan 1986 = 100)

	Catering[1]	Alcoholic[2]	Food	All items
1987	102.8	101.7	101.1	101.9
1988	109.6	106.9	104.6	106.9
1989	116.5	112.9	110.5	115.2
1990	126.4	127.8	119.4	126.1
1991	139.1	139.2	128.6	133.5
1992	147.9	148.1	128.3	138.5
1993	155.6	154.7	130.6	140.7
1994	162.1	158.5	131.9	144.1

[1] Includes restaurant meals, canteen meals and take-aways and snacks

[2] Includes beer, wines and spirits sold both in stores and in pubs

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Financial turnover

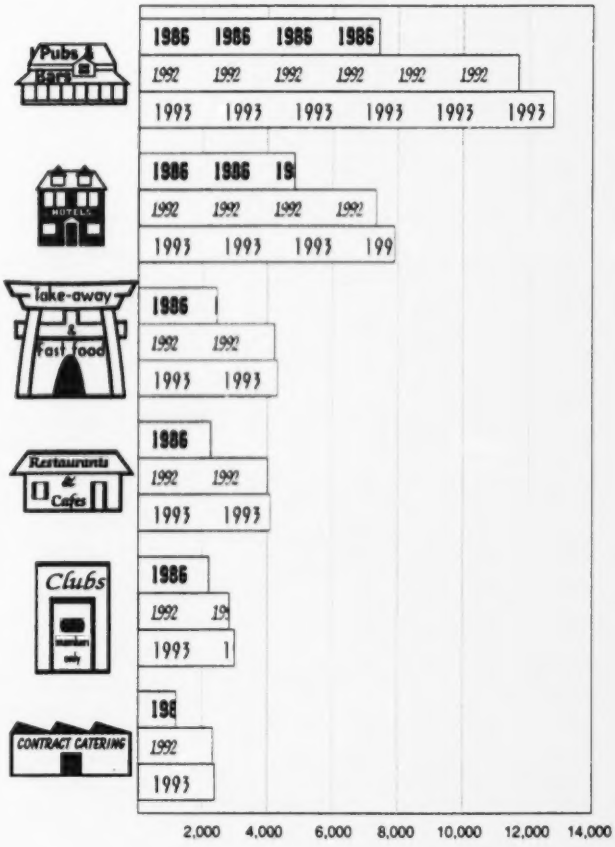
Over the seven years, 1986 to 1993 (Figure 2.3), contract catering enjoyed the fastest growth in financial turnover (101%), followed by restaurants/cafés (81%) and take-away/fast food outlets (80%). For clubs, the 37% increase in financial turnover excludes gaming and sports clubs.

Contract catering enjoyed relatively rapid growth rates as a result of the restructuring of the UK economy. In the early 1980s, employers sought to be more cost-effective by replacing in-house catering with catering contractors. Although the recession in the early 1990s put a stop to the growth of the business and industry market, this was compensated for by the introduction of Compulsory Competitive Tendering in the public sector. New markets for contract caterers emerged in local government, health and education.

In the period 1986–93, all commercial sectors apart from clubs saw increased turnover (67%) and increased employment opportunities (21%). This may reflect productivity improvements, greater automation, increased capital investment, or a combination of these factors.

Figure 2.3

Financial turnover of commercial sectors (£000s)



Annual financial turnover[1] (£ million)

	1986	1992	1993	Change 1986–93
Pubs and bars	7,447	11,731	12,802	+72%
Hotels/residential/short stay accommodation	4,846	7,363	7,924	+63%
Take-away/fast food[2]	2,435	4,229	4,312	+80%
Restaurants/cafés[3]	2,260	4,011	4,082	+81%
Clubs[4]	2,203	2,836	3,008	+37%
Contract catering	1,183	2,325	2,382	+101%
Total	**20,374**	**32,495**	**34,510**	**+67%**

Source: Business Monitor SDA 28, 1995

[1] Includes establishments over VAT threshold only

[2] Selling food wholly or partly for off-premises consumption

[3] On-premises consumption only

[4] Excluding sports clubs and gaming clubs

Hotel occupancy

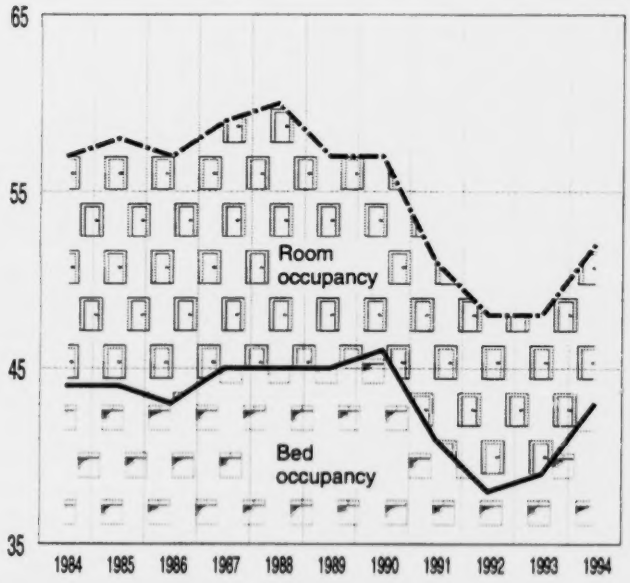
Hotel occupancy rates in England were relatively high in the pre-recession years, rising in 1987 and 1988 to 59% and 60% respectively (Figure 2.4). However, they fell dramatically from 1991 onwards as the economic downturn and the ensuing fall in business/tourism travel and consumer spending began to have an effect. In the same period, low occupancy rates were accompanied by a decline in average room rates which left little margin for re-investment[1].

Room occupancy began to recover in 1994, when the annual average rate for hotels in England rose to 52%. Nevertheless, occupancy levels remained below the levels recorded in the late 1980s – bed occupancy 10% to 15% down, reflecting the number of twin and double rooms let to one person.

July to September is the peak occupancy period for hotels in England, with January being the lowest (Figure 2.5).

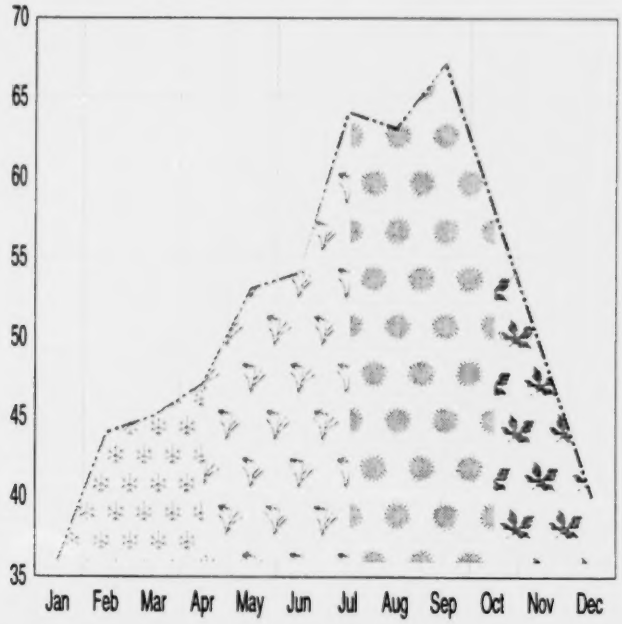
[1] *English Hotel Occupancy Survey*, Horwath Consulting/English Tourist Board

Figure 2.4
Annual occupancy, England, November 1984–94



Source: Horwath Consulting/English Tourist Board

Figure 2.5
Monthly room occupancy, England, 1990–4



Source: Horwath Consulting/English Tourist Board

London and East Anglia had the highest room occupancy in each of the three years to 1994, North West and the West Country the lowest (Table 2.3). With the exception of Northumbria, all regions saw their room occupancy levels rise.

The premium tariff hotels consistently enjoyed the best occupancy levels over 1992–4 (Table 2.4).

Although the average room rate was lower in 1993 and 1994 compared to 1992, occupancy levels and the room yield increased significantly (Table 2.5).

Table 2.3
Annual room occupancy by region (percentages)

ETB region	1992	1993	1994
London	57	56	61
East Anglia	53	55	56
Yorkshire & Humberside	50	52	53
Cumbria	49	52	52
Northumbria	53	51	49
Southern	49	50	54
Heart of England	49	49	51
East Midlands	45	47	51
West Country	44	41	47
North West	40	37	45
England	**48**	**48**	**52**

Source: Horwath Consulting/English Tourist Board

Table 2.4
Annual occupancy by tariff, England (percentages)

	1992	1993	1994
Lower tariff *less than £37 (£56 in London)*	44	44	48
Higher tariff *£37 to £71 (£56 to £85 in London)*	52	50	54
Premium tariff *over £71 (£85 in London)*	55	56	58

Source: Horwath Consulting/English Tourist Board

Table 2.5
Hotel performance in the UK

	1992	1993	1994
Year end rooms	123,572	123,958	122,548
Room nights available	44.76m	45.17m	n.a.
Occupancy	57.5%	62.6%	67.9%
Room nights sold	25.74m	28.26m	30.23m
Average room rate	£45.60	£43.45	£43.45
Room yield	£23.22	£27.18	£31.45
Room turnover	£1.17b	£1.23b	n.a.
Non-room turnover	£1.19b	£1.26b	n.a.
Hotel turnover	£2.36b	£2.48b	n.a.

Source: Kleinwort Benson Securities

Contract catering

The contract catering sector, according to the British Hospitality Association's annual survey, continued to grow between 1993 and 1995 (Table 2.6).

The proportion of meals served in business and industry fell substantially in 1993, held this level in 1994, then dropped again in 1995. The fall was more than compensated for by the growth in other sectors, notably state education where the numbers of meals served rose by 83% between 1993 and 1995.

Annual turnover continued to rise between 1993 and 1995 (Figure 2.3 on page 14). In 1993, it increased by 27% reflecting both the additional number of outlets and the increased number of meals served. Financial turnover experienced a modest increase of 9% in both 1994 and 1995.

Wage costs remained fairly constant at between 40% and 43% of turnover. Food costs have been kept at 41% since 1992 (Table 2.7).

Table 2.7
Breakdown of costs in contract catering (percentages)

	1990	1991	1992	1993	1994	1995
Wages	43	42	40	43	42	42
Management fees	10	10	10	10	10	10
Food	35	39	41	41	41	41
Other	12	9	9	6	7	7
Total	100	100	100	100	100	100

Source: *Contract Catering Survey 1994, 1995, 1996,* British Hospitality Association

Table 2.6
Number of meals served by contract caterers (millions and percentages)

	1990		1991		1992		1993		1994		1995	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Business & industry	320	52.6	322	49.2	401	49.8	408	43.4	456	43.5	465	42.6
Health care	42	6.9	38	5.8	68	8.5	65	6.9	77	7.4	81	7.4
State education	26	4.3	30	4.6	31	3.9	94	10.0	163	15.5	172	15.7
Independent schools	66	10.9	81	12.4	111	13.8	100	10.6	99	9.4	99	9.1
Local authorities	30	4.9	31	6.3	28	3.5	20	2.1	15	1.4	18	1.6
Ministry of Defence	47	7.8	55	8.4	67	8.3	92	9.8	86	8.2	92	8.4
Catering for the public	50	8.3	62	9.5	69	8.6	120	12.8	130	12.4	134	12.6
Oil rigs, training centres, construction sites	27	4.3	25	3.8	29	3.6	41	4.4	23	2.2	28	2.6
Total	**608**	**100**	**654**	**100**	**804**	**100**	**940**	**100**	**1,049**	**100**	**1,089**	**100**

Source: *Contract Catering Survey 1994, 1995, 1996,* British Hospitality Association

Travel and tourism trends

UK in the world tourism market

The UK's share of the world tourism market, a rapidly growing industry, has fallen by more than a third over the past 14 years from 6.7% in 1980 to 4.3% in 1993[1]. This has significant implications for the UK's balance of trade.

Although the UK enjoyed an 8.3% average rate of growth in the number of visitors per year for the past eight years, its share of tourism receipts declined 1.7% (Table 2.8). This fall, combined with the rising amount spent by UK residents abroad, led to the UK tourism balance of trade reaching a deficit of £3.82 billion in the first 11 months of 1994.

Table 2.8
International tourism receipts (percentage share)

	1985	1993
USA	15.3	18.5
France	6.8	7.6
Italy	7.5	6.7
Spain	7.0	6.3
UK	6.1	4.4
Portugal	0.9	1.4

Source: Horwath International

Trips by UK residents

UK residents (adults and accompanying children) took 115 million trips of one night or more away from home in 1993, compared to 131 million in 1989 (Table 2.9).

Although the number of trips in England dropped from 88.5 million in 1989 to 73 million in 1993, the ground was more than recovered by a 24% increase in 1994 to 90 million. Expenditure rose 21% to £11.6 billion, nights spent on 'holiday' by 14% to 329 million[2].

Wales has had some success in the short breaks market (which grew 28%[3] in 1994), and the conferences and business markets. As a result, earnings from domestic visitors in 1994 grew 6%[4].

Scotland suffered a fall of 6% in the value of tourism in 1994 to just over £2 billion. Domestic tourism fell by 10%, while overseas tourism grew by 2%[5].

Table 2.9
Trips of one night or more by UK residents (millions)

	1989	1990	1991	1992	1993
England	88.5	77.7	76	77.2	73
Scotland	10	7.7	8.2	8.9	9
Wales	9.5	8.3	8.7	8.3	7.7
Northern Ireland	1.5	1.6	1.4	1.1	1.3
Total within UK	109.5	95.3	94.3	95.5	91
Other EU countries	15.5	14.2	14.7	16.6	16.2
Rest of world	6	6	6	7.1	7.4
Total	**131**	**115.5**	**115**	**119**	**114.6**

Source: British Tourist Authority

[1] *1994 Annual Report*, British Tourist Authority
[2] *Annual Report 1994–95*, English Tourist Board, 1995
[3] United Kingdom Tourist Survey, 1995
[4] *Annual Report 1994–95*, Wales Tourist Board, 1995
[5] *Annual Report 1994–95*, Scottish Tourist Board, 1995

Although the number of trips abroad are a relatively small proportion of the total trips taken (one fifth in 1993), they account for a substantial share of total expenditure on travel and nights away from home. Moreover, their share of overall travel is increasing: up from 16% in 1989 to 21% in 1993. Trips to other European Union countries increased from just under 12% in 1989 to 14% in 1993.

When day trips are also taken into account, the number of trips overseas by UK residents has increased every year since 1986, except for 1991 when the recession caused a marginal fall (Table 2.10). In 1992 and 1993, the number of overseas trips undertaken by UK residents increased by 10% and 6% respectively.

Table 2.10
Trips (including day trips) overseas by UK residents (thousands)

	No. of visits	% change
1983	20.9	+1.5
1984	22.1	+5.4
1985	21.6	–2.1
1986	24.9	+15.5
1987	27.4	+10.0
1988	28.8	+5.0
1989	31.0	+7.5
1990	31.1	+0.4
1991	30.8	–1.1
1992	33.8	+9.8
1993	35.8	+5.9

Source: Business Monitor MA6, 1993

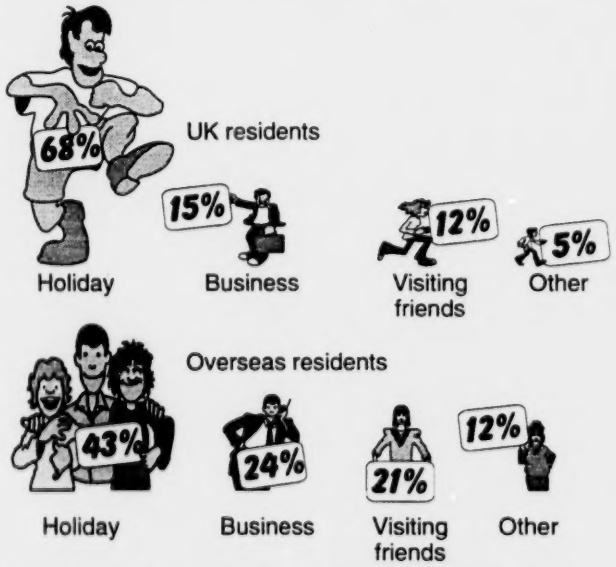
Purpose of trip

Holidays were the most common purpose of trips for both UK and overseas residents in 1993 (Figure 2.6). Over two-thirds (68%) of UK residents going abroad, were going on holiday, while 43% of overseas residents were visiting the UK for a holiday.

A further 24% of overseas residents visited the UK on business, compared to 15% of UK residents travelling abroad for the same purpose. A smaller proportion of UK residents went abroad to visit friends/ relatives, 12% compared to 21% of overseas residents who visited the UK for this reason.

The better economic climate was reflected in an increase in business trips by UK residents, up from 11% in 1991 to 15% in 1993. Holiday trips also increased their share: from 65% of all trips in 1990 and 1991, to 68% in 1993.

Figure 2.6
Purpose of trips of one night or more, 1993



Source: British Tourist Authority (for UK residents) and Business Monitor MA6, 1993 (for overseas residents)

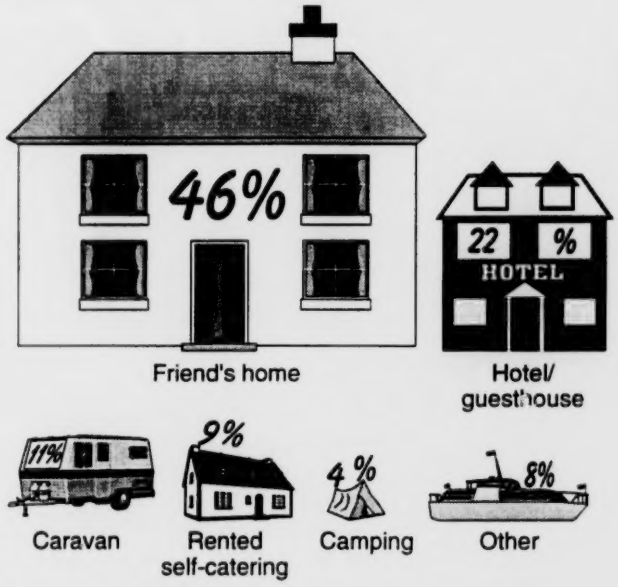
In terms of accommodation, staying with friends/relatives was the most popular arrangement (46%), followed by staying in a hotel/guesthouse (22%) (Figure 2.7).

In 1993, there were 5,793 tourist attractions in the UK where the numbers of visits was known or estimated by the national tourist boards[1]. The most popular group of attractions fell into the activity category: theme and leisure parks, model villages, steam railways etc. This was followed by museums, galleries and historic properties (Figure 2.8).

The South East, including London, had the highest density of tourist attractions. Cumbria and the West Country had the most attractions per head of population.

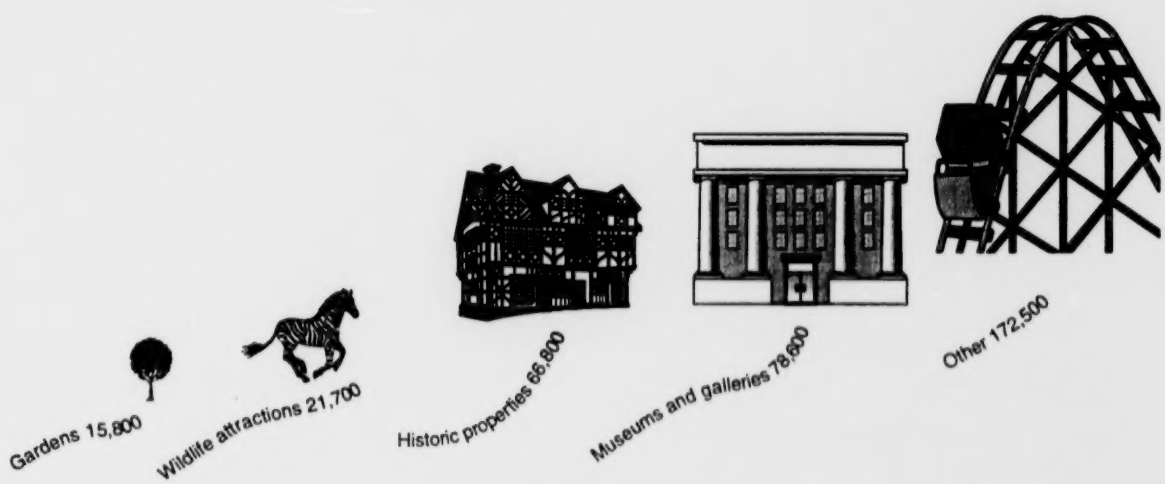
[1] *Sightseeing in the UK*, 1993

Figure 2.7
Accommodation used in the UK, 1993



Source: United Kingdom Tourism Survey

Figure 2.8
Number of visits to attractions, 1993



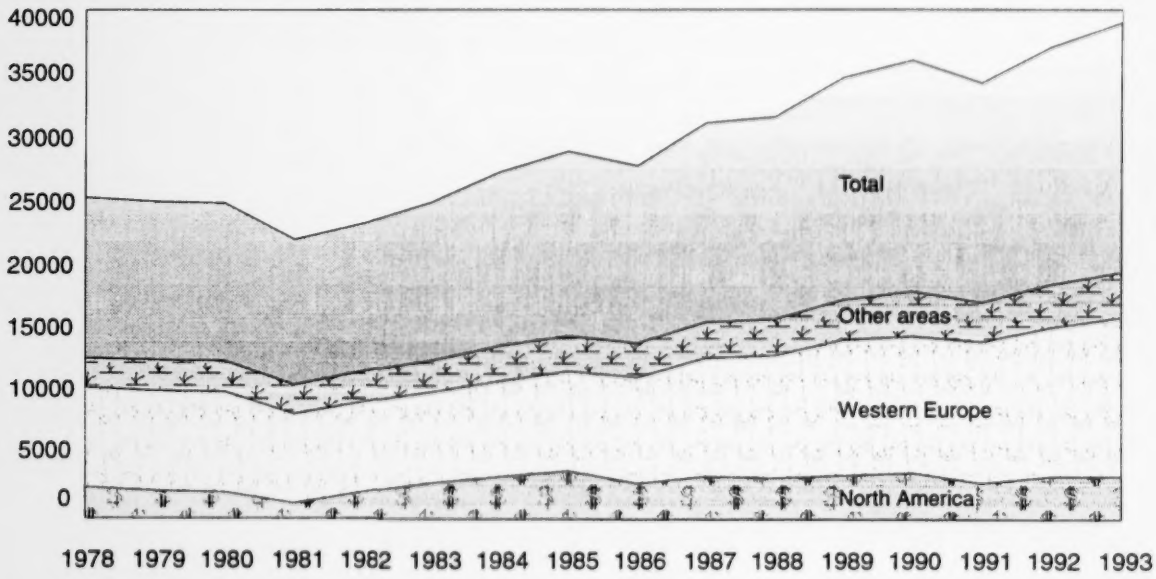
Source: *Sightseeing in the UK*, 1993

Overseas visitors

With the exceptions of 1986 and 1991, the number of overseas visitors to the UK rose steadily throughout the decade (Figure 2.9). The decline in 1986 was the result of a dramatic 25% fall in the number of US tourists – the US bombing raid on Libya made potential US travellers worry about Arab reprisals and the nuclear disaster at Chernobyl raised fears of a nuclear fallout in Europe.

A similar decline occurred in 1991, when the Gulf War and the recession in the US caused the number of American tourists to the UK to fall by 22%. Another contributory factor was the strengthening of sterling in relation to other currencies, making visits to the UK by foreigners more expensive.

Figure 2.9
Trips to the UK by overseas residents



Source: Business Monitor MA6, 1993

Around 60% of all visits in 1993 were made in the second and third quarters (spring and summer), reflecting the seasonal nature of international tourism (Table 2.11).

Tourism spending

Since 1986, the tourism industry has had a growing balance of payments deficit, reaching £3,331 million in 1993 (Table 2.12). In 1985, sterling was particularly weak against the dollar, leading to a surplus of £570 million.

Table 2.11
Visits to the UK by overseas residents by origin and quarter, 1993 (thousands)

	North America	Western Europe	Other areas	Total	% of total
Quarter 1	600	2,351	671	3,622	19
Quarter 2	937	3,512	800	5,249	27
Quarter 3	1,165	3,794	1,300	6,259	32
Quarter 4	700	2,865	794	4,359	22
Total	3,402	12,522	3,565	19,489	100

Source: Business Monitor MA6, 1993

Table 2.12
Tourism spending (£ millions, current prices)

	Overseas visitors in UK	UK residents	Tourism balance of payments
1983	4,003	4,090	(87)
1984	4,614	4,663	(49)
1985	5,442	4,871	570
1986	5,553	6,083	(530)
1987	6,260	7,280	(1,020)
1988	6,184	8,216	(2,032)
1989	6,945	9,357	(2,412)
1990	7,748	9,886	(2,138)
1991	7,386	9,951	(2,565)
1992	7,891	11,243	(3,352)
1993	9,376	12,707	(3,331)

Source: Business Monitor MA6, 1993

SECTION **3**

Establishments

This section focuses on the structure of the commercial sectors of the industry in terms of numbers of establishments, their size and location. The Census of Employment provides the source for much of the information.

Overview of the industry

In 1991, there were 264,500 establishments in the commercial sectors of the industry. This was 5% up on 1984 but 3% down on 1989 (Table 3.1). By the end of 1991, 237 establishments had gone into receivership. Receivers collectively controlled more hotels than any hotel company, apart from Forte[1].

[1] 'Goodbye to all that', *Caterer & Hotelkeeper*, 17 December 1992, p30

Table 3.1
Establishments in commercial sectors (thousands)

	1984	1987	1989	1991
Hotels	57.1	62.9	55.6	52.2
Restaurants	87.5	86.3	100.6	99.9
Pubs & bars	73.1	74.3	75.9	77.1
Clubs	17.0	16.5	16.4	16.1
Contract catering	17.4	18.9	23.1	19.2
Total	**252.1**	**259.4**	**271.9**	**264.5**

Source: Census of Employment/Labour Force Survey

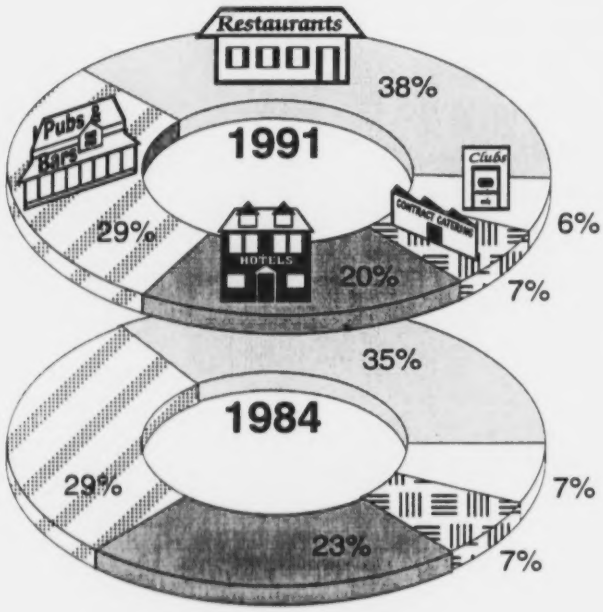
Restaurants were the largest sector and also the least affected by the recession of the early 1990s. Indeed, between 1984 and 1991 restaurants increased their numbers by 14%, to account for 38% of all commercial establishments in the hospitality industry (Figure 3.1). Restaurants also showed the greatest increase in employment (see Section 4) and one of the fastest rates of growth in financial turnover (Section 2).

The other sector to grow in this period was contract catering. Between 1984 and 1991 the number of contract catering outlets grew by 10%, reflecting the tendency of both businesses and the public sector to switch from in-house catering to outside contractors. Contract catering experienced much faster growth in financial turnover than the other commercial sectors. In terms of employment, it experienced significant growth in the 1980s and was less affected by the recession than the other commercial sectors.

The number of hotels fell by 9% in 1984–91. This confirms suggestions that the hotel sector bore the brunt of the recession. Other factors, such as the Gulf War, the subsequent drop in the number of foreign tourists, and high interest rates had a particularly adverse effect on the hotel sector.

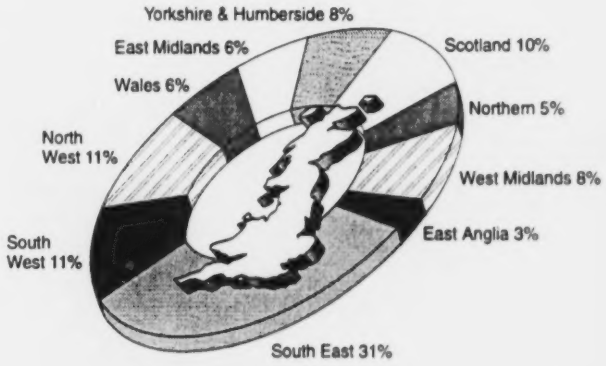
The South East had the highest concentration of hospitality establishments in 1991, accounting for 31% of the total (Figure 3.2). North West and South West followed with 11% each, then Scotland with 10%.

Figure 3.1
Establishments in commercial sectors



Source: Census of Employment

Figure 3.2
Establishments in commercial sectors by region, 1991

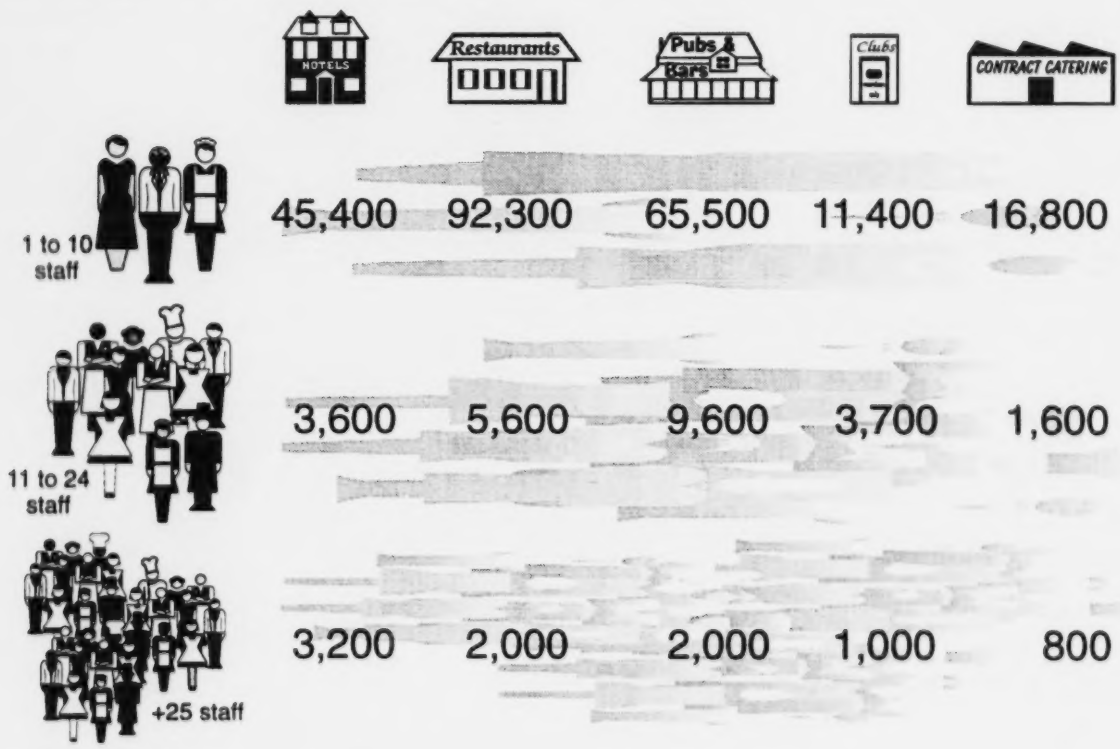


Source: Census of Employment
Notes: includes establishments owned or managed by the self-employed

Small establishments (with 1 to 10 staff) dominated the hospitality industry (Figure 3.3). In 1991, 87% of all establishments had less than ten employees. The proportion of restaurants employing less than ten employees was even higher, at 92%. A relatively high proportion of hotels (6%) employed over 25 staff.

The high proportion of small businesses can be partly explained by the ease of entry to the industry. The capital investment required is lower than many industries. Specialist knowledge and qualifications are not a prerequisite. There is no compulsion to join trade or professional associations or similar organisations which have codes of practice, consumer protection schemes, etc.

Figure 3.3
Numbers of establishments in commercial sectors by size, 1991



Source: Census of Employment/Labour Force Survey
Notes: includes establishments owned or managed by the self-employed

Top 25 hotel operators

Forte (subsequently taken over by Granada) was the largest operator by a considerable margin in 1994, as in 1993 (Table 3.2). Second, third and fourth positions were also unchanged: Thistle & Mount Charlotte with 14,288 rooms compared to Forte's 30,362, Queens Moat House with 10,332 rooms and Hilton with 8,440 rooms.

Britannia Hotels and Butlin's Holiday Hotels moved up from the 26th and 27th positions in 1993 to 18th and 23rd in 1994.

The number of bedrooms operated by hotel companies listed on the Stock Exchange fell for the first time in 1994, down to 122,548 bedrooms, 1.1% less than 1993. During the year, these companies disposed of 134 hotels, mostly 'obsolete' hotels, and added 102 new properties, about half of which were lodges[1].

Contract catering

Between 1993 and 1995, the share of the contract catering sector held by industry and business continued to decrease, albeit more slowly (Table 3.3). Diversification more than compensated for this – state education grew from 5% in 1992 to 32% in 1995.

[1] *Quoted Hotel Companies: The World Markets 1995*, Kleinwort Benson Securities, 1995

Table 3.2
Top 25 UK hotel operators, 1994

Rank 1994	Rank 1993		No. of rooms	No. of hotels
1	1	Forte	30,362	344
2	2	Thistle & Mount Charlotte Hotels	14,288	112
3	3	Queens Moat Houses	10,332	100
4	4	Hilton UK	8,440	40
5	6	Swallow Hotels	4,379	35
6	7	Accor UK	4,338	29
7	8	Holiday Inn Worldwide	4,210	24
8	9	Stakis Hotels	4,056	33
9	n.a.	Country Club Hotels Group	4,000	78
10	10	Jarvis Hotels	3,680	46
11	11	Marriott Hotels	3,469	18
12	13	De Vere Hotels	3,049	25
13	12	Imperial Hotels London	3,046	7
14	14	Coast & Country Hotels	2,951	33
15	15	Millennium & Copthorne Hotels	2,568	12
16	19	Friendly Hotels	2,467	24
17	18	Metropole Hotels	2,280	5
18	n.a.	Britannia Hotels	2,230	8
19	n.a.	Macdonald Hotels	2,092	40
20	20	Edwardian Hotels	1,862	9
21	16	Resort Hotels	1,753	27
22	22	Inter-Continental Hotels	1,714	5
23	n.a.	Butlin's Holiday Hotels	1,713	6
24	21	Principal Hotels	1,667	18
25	23	North British Trust Hotels	1,467	18

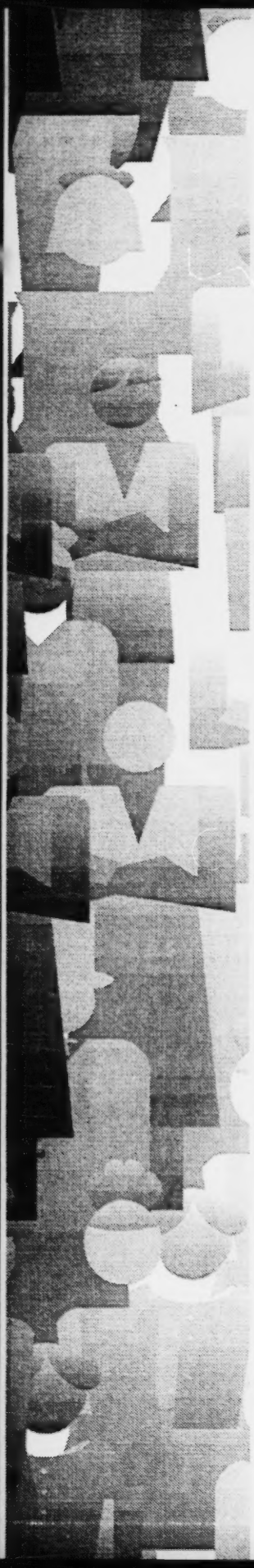
Source: *Caterer & Hotelkeeper*, 26 May 1994 and 10 June 1993

Table 3.3
Major contract catering outlets by industry type

	1990		1991		1992		1993		1994		1995	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Business & industry	7,058	75.2	7,775	74.7	7,671	72.7	7,132	53.4	7,473	50.0	7,574	48.5
Health care	365	3.9	337	3.2	379	3.6	405	3.0	459	3.1	397	2.5
State education	465	4.9	450	4.3	490	4.6	2,383	17.8	4,603	30.8	4,957	31.7
Independent schools	610	6.5	620	6.0	733	7.0	587	4.4	579	3.9	578	3.7
Local authorities	362	3.9	463	4.5	362	3.4	261	2.0	295	1.9	451	2.9
Ministry of Defence	132	1.4	190	1.8	210	2.0	265	2.0	267	1.8	393	2.5
Catering for the public	233	2.5	324	3.1	475	4.4	619[1]	15.1	1,002	6.7	971	6.2
Oil rigs, training centres, construction sites	163	1.7	246	2.4	242	2.3	302	2.3	263	1.8	311	2.0
Total	**9,388**	**100**	**10,405**	**100**	**10,562**	**100**	**11.954[1]**	**100**	**14,941**	**100**	**15,632**	**100**

Source: *Contract Catering Survey 1996*, British Hospitality Association

[1] Excluding 1,400 events originally included in the 1993 survey



4 Employment

This section contains information on employment in the hospitality industry. Employment trends are analysed by sector, sex, hours of work and region. Employment in the industry is also placed in the context of the overall workforce in the UK.

Overview of the industry

The hospitality industry employed 2.03 million people in 1994, two-thirds of whom were working in the commercial sectors of the industry.

This is around 350,000 lower than the estimate given in other HtF reports of the size of the industry (2.4 million). The changes occur in the catering services sectors, and are partly attributable to the shift towards contract cleaning by industrial and commercial enterprises and the public sector, and partly to changes in the government classification of certain domestic occupations.

Cleaners and related occupations are now excluded from five catering services sectors: industrial, in-store catering, cultural/sports, travel and public administration. The domestic services/cleaning staff in hospitals, schools, and other medical and educational establishments are still included in the hospitality industry. Housekeepers are still included in all sectors, as they relate more to the hospitality industry than the cleaning industry.

Total employment in the commercial sectors in 1994 was 1,348,000 (Table 4.1). This was only 0.7% up on 1992, even though the financial turnover of the sectors increased substantially in the period (Section 2). Why employers did not recruit more, given the additional financial resources, is not clear. One reason might be improvements in productivity from better utilisation of human resources or greater automation or increased capital investment (e.g. in new properties or refurbishment).

Pubs/bars were the largest employer in 1994 – representing 24% of the commercial workforce – but slightly down on 1992. Next came hotels and restaurants (both 23%), which increased their employment levels by 4% and 5% respectively on 1992. Employment in contract catering was unchanged on 1992, clubs and the self-employed slightly down.

Total employment in the catering services sectors in 1994 was 685,000, down 61,000 or 8% from 1992. If domestics and housekeepers are excluded, total employment in 1994 was 472,000, 6% down on 1992 (Table 4.2). Job cuts in education, public administration and the National Health Service reflected the continuing drive to improve efficiency and productivity in the public sectors as well as changes in funding arrangements and organisational structures.

Table 4.1
Employment in the industry (thousands)

	1992	1994
Commercial sectors		
Hotels	300	312
Restaurants	291	304
Pubs and bars	329	325
Clubs	139	133
Contract catering	113	113
Self-employed	165	161
Total	**1,337**	**1,348**
Catering services sectors		
Hospitals/medical	342	304
Schools, colleges, etc.	178	165
Industrial	87	82
In-store catering	42	46
Cultural/sports	37	39
Public administration	34	23
Travel catering	26	26
Total	**746**	**685**
Industry total	**2,083**	**2,033**

Source: Census of Employment/Labour Force Survey

Table 4.2
Employment in catering services sectors, excluding domestics and housekeepers

	1992 (000s)	1994 (000s)	Change %
Hospitals/medical	135	124	–8
Schools, colleges, etc.	146	143	–2
Industrial	80	73	–9
In-store catering	42	46	+9
Cultural/sports	37	38	+3
Public administration	34	22	–35
Travel catering	26	26	–
Total	**500**	**472**	**–6**

Source: Labour Force Survey

Employment by occupation

In 1994, some 29% of the industry worked in housekeeping and related services, compared to 25% in food preparation and cooking and 14% in food and drink service (Table 4.3).

Employment by gender

Females dominated the industry, accounting for 73% of its workforce in 1994 (Figure 4.1). With its large number of part-time jobs, the industry offers good opportunities to earn an income while working flexible hours that suit domestic arrangements.

The proportion of females was much higher in the catering services sectors: 86% as opposed to 63% in the commercial sectors. This is because of the large numbers of housekeeping and domestic staff employed in these sectors, most of whom were females.

Table 4.3
Employment in the industry by occupation (percentages)

	1992	1994
Management		
Hotel managers	3.5	3.6
Restaurant managers	5.2	6.0
Publicans	3.6	3.4
Food preparation and cooking		
Chefs/cooks	10.5	9.8
Kitchen porters	7.1	6.5
Catering assistants	8.4	9.0
Food and drink service		
Waiting staff	6.5	7.1
Bar staff	7.1	6.6
Front office/housekeeping		
Hotel porters	0.4	0.4
Receptionists	0.4	0.6
Housekeeping/related services	28.9	28.8
Other	16.4	18.2
Total	100	100

Source: Labour Force Survey
Note: figures are for Spring 1992 and Spring 1994

Figure 4.1
Employment in the commercial / catering services sectors by gender, 1994

Source: Census of Employment/Labour Force Survey

The commercial sectors

The proportion of male employees rose from 34% in 1984 to 37% in 1994 (Table 4.4). The number of males working in the commercial sectors increased 46% in that period, compared to a 25% rise in female employment.

The increase in male employment was particularly pronounced over the six years to 1994. This may be because declining employment opportunities in their traditional industries forced more males to turn to the expanding service industries for employment. This is worthy of further investigation, which is, however, beyond the scope of this report.

Table 4.4

Employment in commercial sectors[1] by gender (thousands)

	Male		Female		All	
	No.	%	No.	%	No.	%
1984	303.6	33.6	599.9	66.4	903.5	100
1988	345.4	33.6	682.6	66.4	1028	100
1993	432.8	38.0	706.2	62.0	1139	100
1994	442.2	37.0	752.8	63.0	1195	100

Source: Census of Employment

[1] Excluding self-employed

Comparisons by occupation

The only occupations where there were more males than females were publicans and hotel porters (Table 4.5).

Table 4.5

Employment by occupation and gender, Spring 1994

	Male		Female	
	No. (000s)	%	No. (000s)	%
Hotel managers	37.7	45.4	45.3	54.6
Restaurant mgrs	68.9	50.1	68.7	49.9
Publicans	44.4	57.3	33.1	42.7
Chefs/cooks	94.7	42.3	129.0	57.7
Waiting staff	46.8	28.8	115.8	71.2
Bar staff	54.3	36.0	94.4	64.0
Kitchen porters	44.6	29.8	104.8	70.2
Catering assistants	25.5	12.4	179.4	87.6
Hotel porters	10.1	100	–	–
Domestic housekeepers	1.5	9.9	13.9	90.1
Non-domestic housekeepers	–	–	4.5	100.0
Travel/flight attendants	8.0	21.2	29.9	78.9
Receptionists[1]	5.1	3.4	144.6	96.6
Ward assistants	4.3	18.4	82.8	81.6

Source: Labour Force Survey

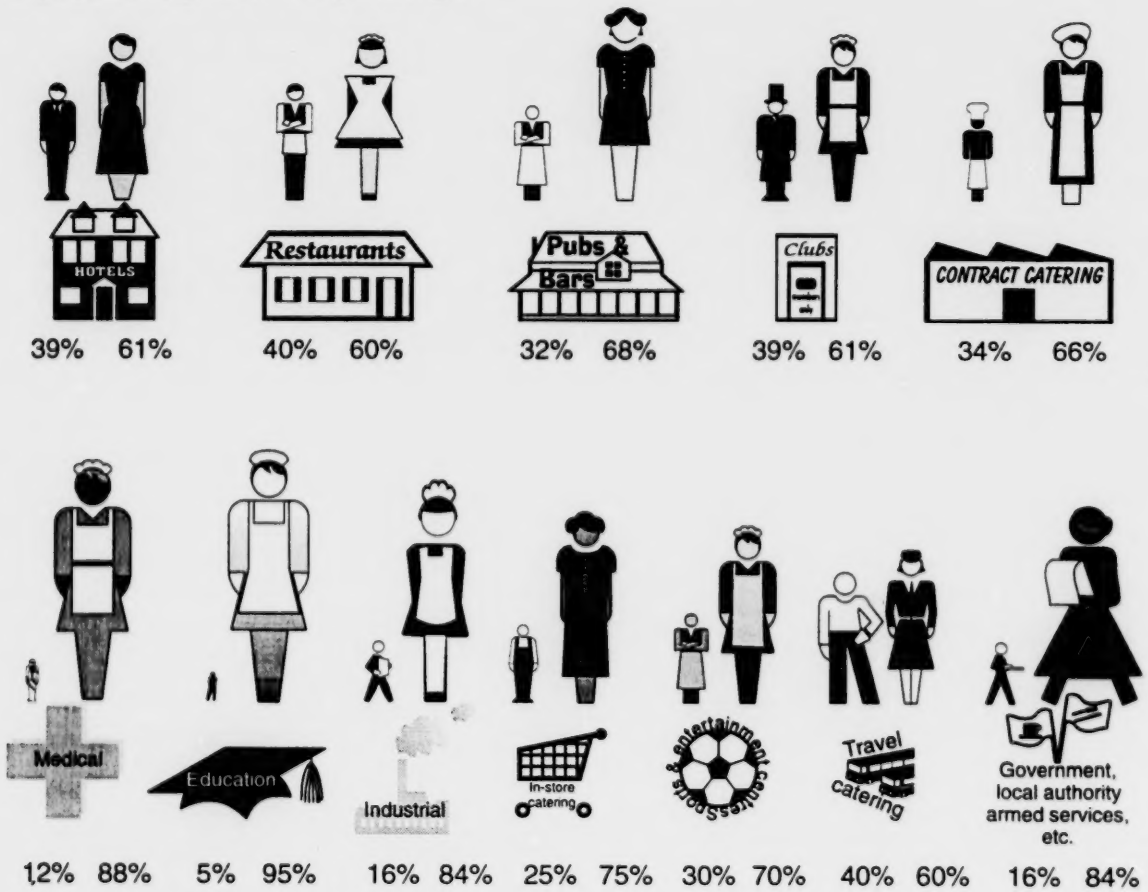
[1] includes receptionists in all industries

Comparisons by sector

In the commercial sectors, pubs/bars and contract catering had the highest proportion of female employees in 1994, 68% and 66% respectively (Figure 4.2).

In the catering services sectors, the proportion of males was lowest in education, where school meals supervisors, who tend to be females, make up the highest proportion of the sector. Male employment was also low in hospitals and other medical establishments.

Figure 4.2
Employment by gender, 1994 (percentages)



Source: Census of Employment/Labour Force Survey

Full-time/part-time employment

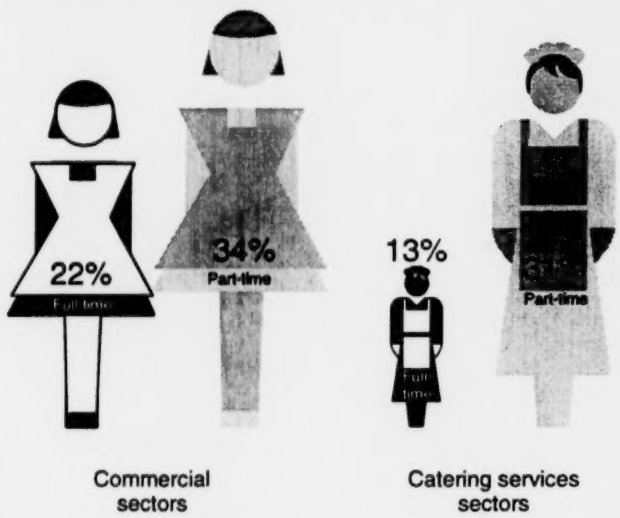
The majority of employees in the industry (65%) worked part-time in 1994 (Figure 4.3). In comparison to the numbers employed, there were more part-time workers in the catering services sectors. However, part-time work is defined differently. In the commercial sectors (where the information is based on the Census of Employment), 30 hours or less per week is considered part-time. In the catering services sectors (where the information is based on the Labour Force Survey) respondents classify themselves.

Comparison by sector

In the commercial sectors, pubs/bars and clubs had the highest proportion of part-time employees (Figure 4.4). Frequently such an arrangement suits the pattern of business.

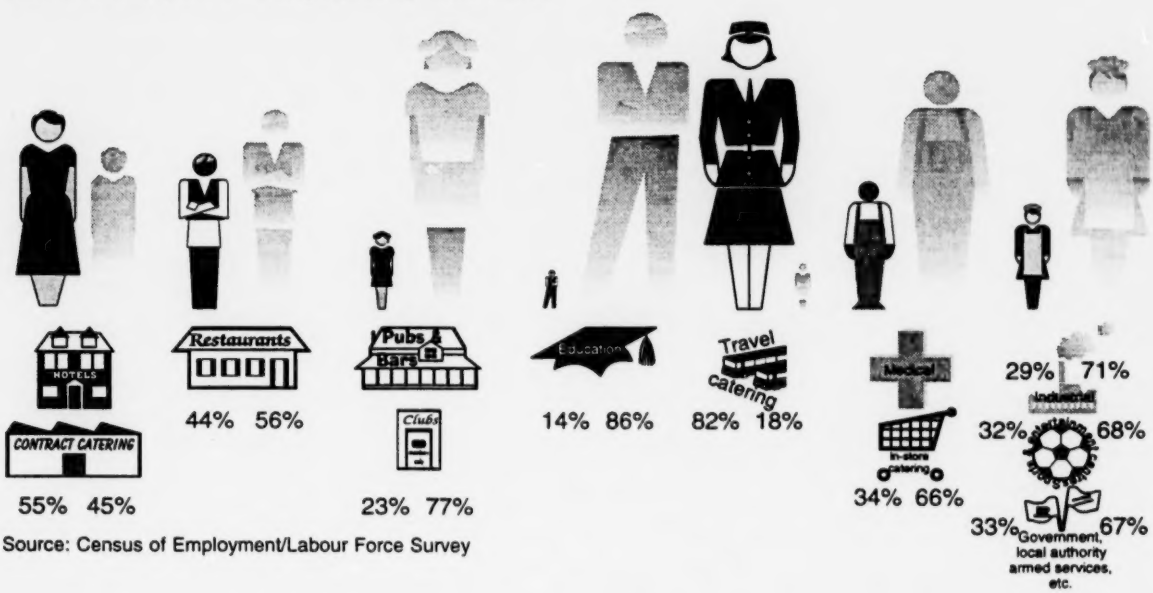
Except for travel catering, part-time work was most prevalent throughout the catering services sectors. (A small proportion of employees felt unable to classify themselves as full or part-time.)

Figure 4.3
Full-time and part-time employees in commercial and catering services sectors, 1994



Source: Census of Employment/Labour Force Survey

Figure 4.4
Full-time and part-time employees by sector, 1994



Source: Census of Employment/Labour Force Survey

Employment forecasts

Over 130,000 new jobs will be created by 1999 in catering and hospitality, and a further 180,000 in the five years to 2004[1]. Much of this growth will take place in the commercial sectors (Figure 4.5): 122,000 new jobs between 1994–9, and a further 165,000 between 1999–2004.

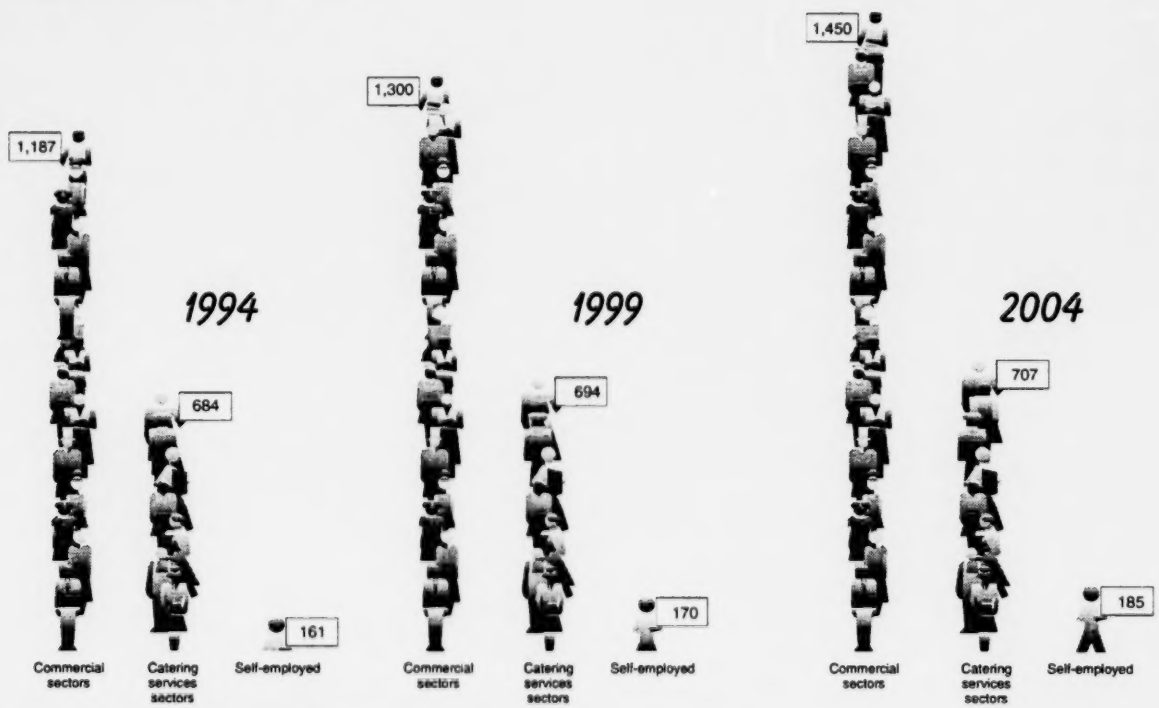
Employment in the catering services sectors is forecast to reach 707,000 by the year 2004, an increase of only 23,000. This is mainly due to the job cuts in education, medical and public administration and other restructuring described earlier in this report.

In addition, replacements will be required for the 339,000 employees on average who are expected to leave the industry each year over the period 1994–9. Many of those leaving will be at operative level but 78,000 craft and 18,000 management jobs will also have to be filled. This wastage reflects the industry's high labour turnover – the cost of replacing employees who leave is estimated at £430 million per year[2].

[1] *Employment Forecasts Update 1994–2004*, HtF, 1996

[2] *Employment Flows in the Catering and Hospitality Industry*, HtF, 1994

Figure 4.5
Employment forecasts (thousands)



Source: *Employment Forecasts Update 1994–2004*, HtF, 1996

Overview of the commercial sectors

Over the last decade there has been a general shift from the agriculture, manufacturing and construction industries (employment down 24%, 20% and 14% respectively) towards the service industries (Table 4.6 and Figure 4.6). Employment in the commercial sectors of the hospitality industry rose by 23% in the period 1984–94, a record surpassed only by the banking and education sectors with increases of 37% and 25% respectively. Hospitality's share of the total workforce went up from 5% to 6%.

Pubs and bars were the largest industry employer in the period 1984–94, followed by hotels and restaurants (Figure 4.7). These sectors also experienced the fastest growth rates over the decade to 1994: 45%, 31% and 29% respectively (Table 4.7). Employment in clubs fell by 3% and contract catering by 11%. Much of the drop in contract catering was accounted for by the 1992 change in government classification, which effectively moved 24,000 local authority employees out of the sector.

Table 4.6
Employment in Great Britain by industry

	1984 No. (000s)	1994 No. (000s)	Change 1984–94 %
Agriculture	329	247	–24
Energy/water	608	310	–49
Manufacturing	5,302	4,228	–21
Construction	1,013	872	–14
Distribution	3,189	3,375	+6
Catering and hospitality (commercial sectors)	960	1,180	+23
Banking	1,942	2,668	+37
Public administration	1,180	1,757	–7
Health	1,254	1,571	+25
Education	1,535	1,837	+20
Other	3,189	3,375	+6
Total	**19,396**	**19,872**	**+2**

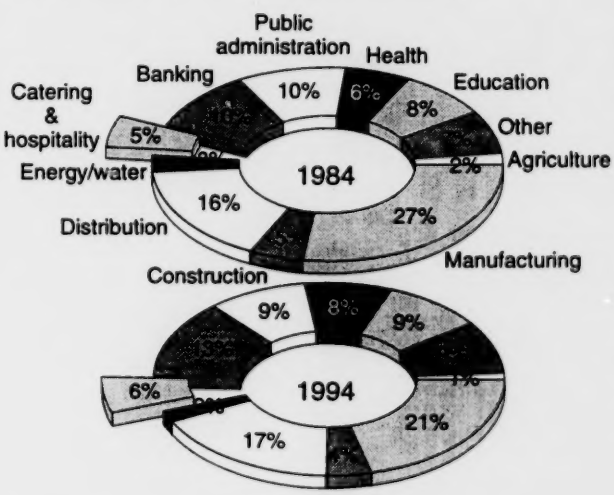
Source: Department for Education and Employment
Note: figures shown are for June 1984/94

Table 4.7
Employment in commercial sectors

	1984 No. (000s)	1994 No. (000s)	Change 1984–94 %
Hotels	239	312.6	+31
Restaurants	209.8	303.8	+45
Pubs and bars	252.3	324.4	+29
Clubs	137.5	133.6	–3
Contract catering[1]	127.8	114.1	–11
Total	966.4	1,188.5	+23

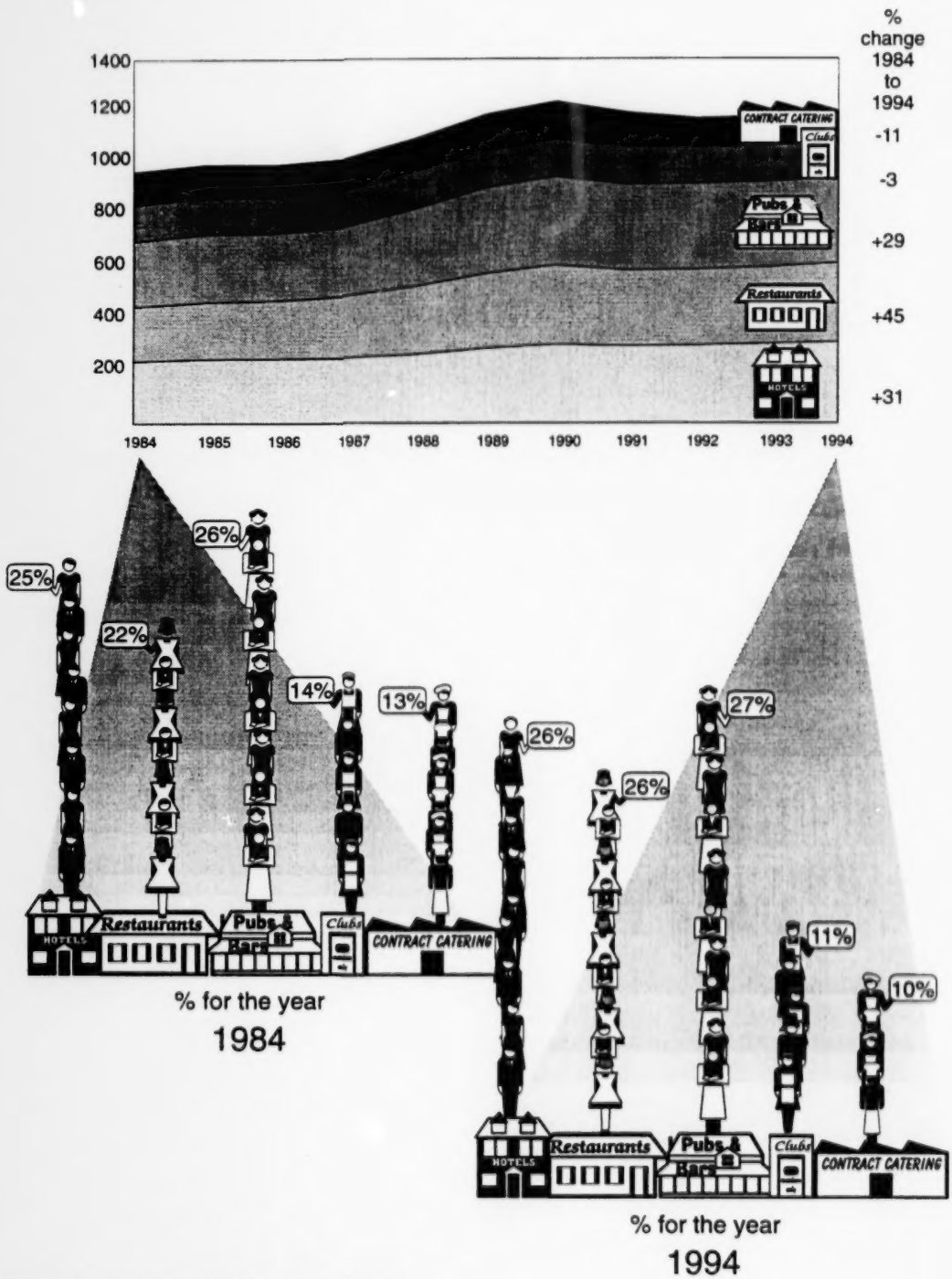
Source: Department for Education and Employment
Note: figures shown are annual averages
[1] Decline partly due to changes in government classification

Figure 4.6
Employment in Great Britain by industry



Source: Department for Education and Employment

Figure 4.7
Employment in the commercial sectors
(thousands top chart)



Source: Department for Education and Employment

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Employment by age

The industry's workforce has traditionally been a young one and this trend appears to be continuing. In 1994, 31% of employees were aged between 16 and 24, compared to 22% in 1984 (Table 4.8). This may indicate an increasing number of students taking on part-time waiting or bar work to supplement their grant (it is not possible to isolate these from the young people who join the industry for a career). It is also likely to include a growing number of young people from other EU countries who have come to the UK for further experience and to learn English.

The proportion aged between 25 and 39 was unchanged, although there were more in the 25 to 29 range and fewer in the 30 to 39 range.

Restaurants had the highest proportion (45%) of 16 to 24 year olds, followed by pubs/bars with 32% (under 18 year olds not being allowed to serve alcohol), and hotels with 28% (Figure 4.8). Contract catering attracted older people, with 46% of employees in the 40 to 59 age group.

Table 4.8

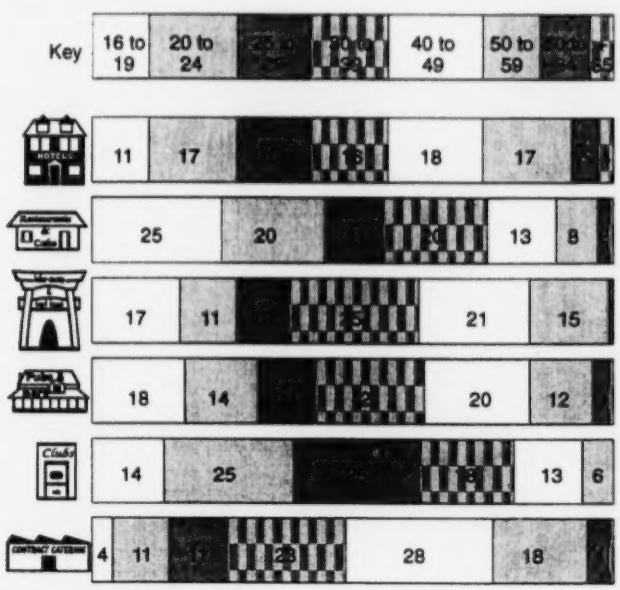
Employment in commercial sectors by age (percentages)

	1984	1994
16 to 19 years	10.8	15.1
20 to 24 years	11.4	15.9
25 to 29 years	9.3	11.9
30 to 39 years	23.0	19.8
40 to 49 years	22.6	19.0
50 to 59 years	16.4	13.5
60 to 64 years	4.6	3.2
+ 65 years	1.9	1.6
Total	100	100

Source: Labour Force Survey

Figure 4.8

Employment in the commercial sectors by age, 1994 (percentages)



Source: Labour Force Survey

Employment by region

The South East and Greater London accounted for the bulk of employment in the commercial sectors (31%). This reflects the concentration of establishments, discussed in the previous section of this report. North West, South West and Yorkshire and Humberside were the next largest regions, each with around 10% of commercial employment (Table 4.9).

Restaurants were the largest employers in South East and Greater London (Table 4.10). Hotels and short stay accommodation accounted for the largest share in Yorkshire & Humberside, East Anglia, South West, Wales and Scotland. Pubs and bars were the largest employer in East Midlands (with 34%).

Table 4.9

Employment across region by sector, 1994 (percentages)

	Hotels & short stay	Restaur-ants	Take-aways	Pubs & bars	Clubs	Contract catering	Total
Northern	5.0	5.3	4.4	6.7	5.2	5.1	5.4
Yorkshire & Humberside	9.1	9.2	10.0	11.2	6.3	9.8	9.7
East Midlands	4.7	4.2	7.8	10.5	13.5	7.9	6.8
East Anglia	8.8	2.9	5.1	2.9	–	5.4	4.3
South East	17.5	20.4	18.4	15.9	23.0	15.7	17.7
Greater London	11.6	18.6	11.3	7.4	4.0	15.7	13.0
South West	12.8	9.4	6.4	8.0	3.5	10.9	9.8
West Midlands	6.3	9.2	11.0	11.8	25.0	8.2	9.1
North West	10.1	9.7	10.8	13.6	6.2	8.2	10.4
Wales	5.5	3.6	6.3	4.8	3.1	5.1	4.9
Scotland	11.6	7.5	8.5	7.2	10.2	8.8	8.9
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Table 4.10

Employment across sector by region, 1994 (percentages)

	Hotels & short stay	Restaur-ants	Take-aways	Pubs & bars	Clubs	Contract catering	Total
Northern	24.7	23.7	6.6	26.7	1.1	17.2	100
Yorkshire & Humberside	25.0	22.9	8.2	24.8	0.7	18.4	100
East Midlands	18.7	14.8	9.2	33.5	2.3	21.5	100
East Anglia	35.9	16.3	9.6	14.9	–	23.3	100
South East	26.4	27.9	8.4	19.4	1.5	16.4	100
Greater London	23.8	34.5	7.0	12.2	0.3	22.2	100
South West	34.8	5.2	17.6	0.4	18.9	24.8	100
West Midlands	18.4	24.4	9.6	27.9	3.1	16.5	100
North West	25.7	22.6	8.3	28.2	0.7	14.5	100
Wales	30.2	18.0	10.3	21.5	0.7	19.3	100
Scotland	34.9	20.4	7.7	17.4	1.3	18.3	100
Total	**26.7**	**24.2**	**8.0**	**21.6**	**1.1**	**18.4**	**100**

Source: Labour Force Survey

Commercial sector trends

Hotels

Employment in hotels grew quite quickly through the second half of the 1980s (Figure 4.9). In the period 1984–94 it rose by almost a third (31%) to reach 312,600.

The recovery from the most recent recession, which hit the sector hard (see earlier sections of this report), was helped by strong demand from the business and leisure market, boosting conference sales, banqueting and food and beverage sales generally[1].

As the comparison of room occupancy levels indicated (see page 15), with 1993 levels no better than 1992 and 9% below the peak years of 1989 and 1990, it seems that the recovery of the hotel market is following a similar pattern to that which occurred after the 1980–82 recession. Then it lagged behind the UK economy by a year or so, before experiencing a strong demand for the rest of the decade.

The long-term prospects of the hotel sector do indeed seem bright, thanks to the growth in international tourism, business travel and the leisure market. These are expected to lead to a 2% annual growth[2]. As this report goes on to examine, restaurants will do better than this, overtaking hotels in terms of employment.

Restaurants

After almost a decade of uninterrupted growth, employment in the restaurant sector fell in 1991 (Figure 4.9).

The recession led to a fall in consumer spending on catering of 4%[3]. In 1991, it is estimated that one in three people stopped eating out or did so less frequently[4]. Some had lost their jobs, many feared they might do so, some were having to cope with reduced earnings after a wage freeze or pay cut. Lunchtime restaurant and café trade was hit in another way, as consumers switched to subsidised in-house restaurants or to sandwiches and snacks[5] to save money.

Fast food restaurants benefited, as consumers traded down in their eating habits. Themed/ethnic food restaurants which offered good value, and pubs also did better. One study suggested that the most popular eating places were fast food outlets (33%) and pubs (22%)[6].

Despite the temporary blip of 1991, restaurants enjoyed the greatest increase in employment of all the commercial sectors between 1984 and 1994. By 1994, numbers employed had reached 303,800, up 45% from 1984. This upward trend is likely to continue with spending on eating out expected to grow at 2.4% every year in real terms until 1998[7]. Over the next decade, a 30% increase in employment is forecast[8].

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[1] *Horwath Business Review*, Horwath Consulting, 1993

[2] *Employment Forecasts Update*, ibid

[3] The 1992 Technomic UK 80, *The Largest UK Restaurant Chains*, Technomic Consultants International, 1992

[4] *Market Review of the UK Catering Market*, Key Note Publications, 1993

[5] UK Catering Datamonitor, 1993

[6] 'The Market is Changing', *Caterer & Hotelkeeper*, 6 May 1993, p58

[7] Henley Centre for Forecasting, 1994

[8] *Employment Forecasts Update*, ibid

Pubs and bars

Employment in pubs and bars grew steadily, peaking in 1990 (Figure 4.9). The decline in 1991/2 was partly caused by recession and partly by the change in structure of the sector as a result of implementing the Beer Orders (which limited the number of pubs individual breweries could own).

Over the period 1984–94, employment in pubs and bars rose 29%, reaching 324,400 in 1994. One explanation is the increasing popularity of pub food[1]. Between 1986 and 1992, pub catering spending increased by 10.1%[2].

Pubs are expected to remain the commercial sector's largest employer over the next decade. Employment growth is forecast to keep pace with an increase in spending of 8.9% in real terms until 1998[3] (even though pubs benefit less than restaurants from higher incomes and discretionary spending[4]).

[1] Mintel, 1994

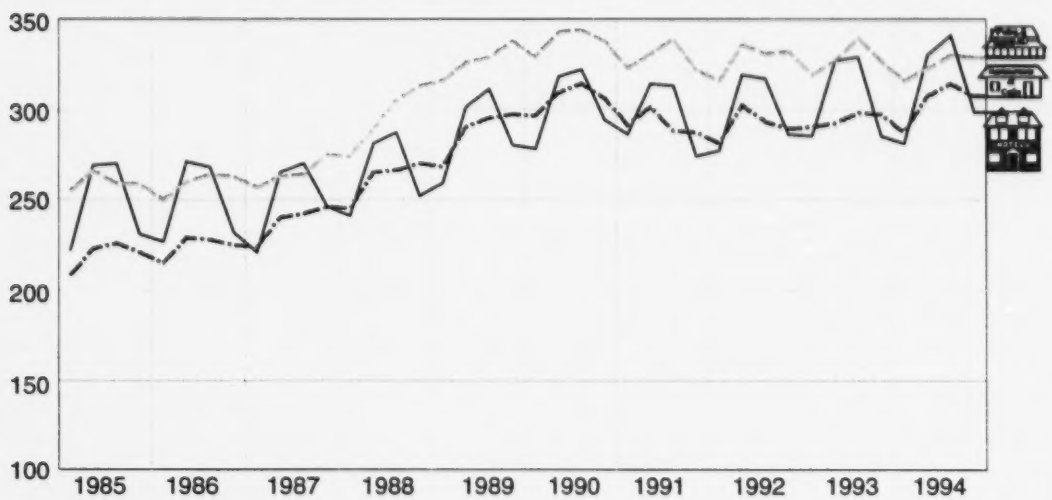
[2] *Market Review of the UK Catering Market*, Key Note Publications, 1993

[3] *Employment Forecasts Update*, ibid

[4] Mintel, ibid

Figure 4.9

Employment in hotels, restaurants, pubs and bars, by quarter, 1985–94 (thousands)



Source: Census of Employment

Clubs

After reaching a peak in 1990, employment in clubs dropped to 133,600 in 1994 (Figure 4.10). In the period 1984–94 employment fell by 3%. This decline corresponds with the reduction in the number of clubs (see Section 3).

In terms of future employment levels, the importance of clubs is expected to diminish further with only marginal growth[1].

Contract catering

For reasons commented on earlier in this report, the contract catering sector experienced significant growth in the 1980s (one estimate puts this at 12% per year[2]). In 1994, the sector had 114,100 employees (Figure 4.10). The sharp fall in 1991 was largely the result of a change in the government's classification, when some 24,000 local authority employees were taken out of the sector (see page 27).

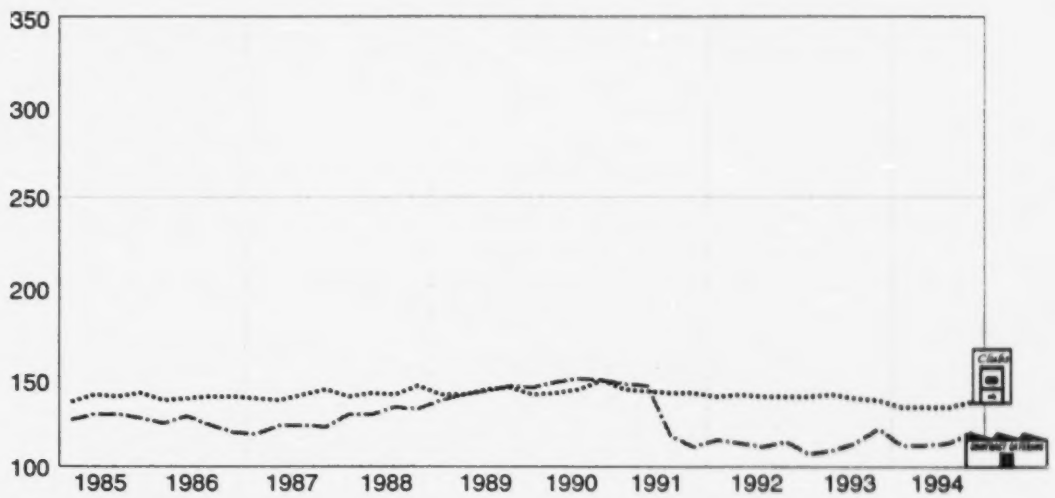
Although the economic recovery and the continuing shift of employment from the public sector, should result in a further expansion of outlets and jobs, these trends are weaker than in the 1980s. Growth is expected to be slow into the next century[3].

[1] *Employment Forecasts Update*, ibid

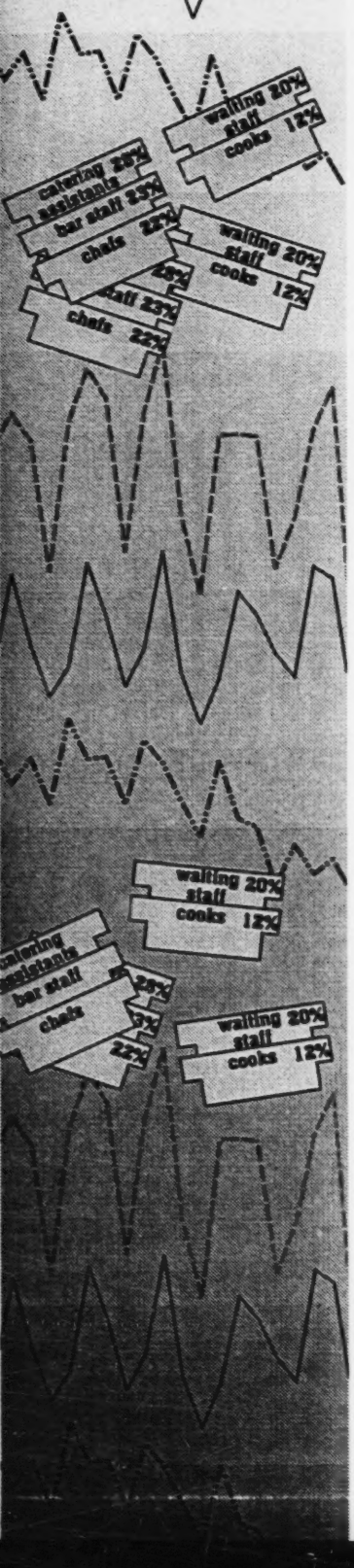
[2] 'Job Prospects', *Hospitality*, HCIMA, April 1994, p36

[3] *Employment Forecasts Update*, ibid

Figure 4.10
Employment in clubs and contract catering, by quarter, 1985–94 (thousands)



Source: Census of Employment



SECTION **5**

Skills shortages

This section explores the extent of skills shortages in the catering and hospitality workforce, how they affect the various occupations, and seasonal trends.

How skills shortages have been measured

The National on-line Manpower Information System (NOMIS) is the source for much of the information in this section of the report. NOMIS provides data on the numbers of vacancies reported by the Employment Services local network of Jobcentres. There are three categories:

- notified vacancies – vacancies which employers channel to their local Jobcentre (hereinafter referred to as 'vacancies' where the context is clear)
- filled vacancies – placings made through Jobcentres
- unfilled vacancies – vacancies that remain a job opportunity at the end of the reporting period.

For the analysis in this report, the assumption has been made that the gap between vacancies and placings made by a Jobcentre could be attributed to an employer's inability to find adequately skilled recruits for that particular job. In other words, a high ratio of unfilled vacancies indicates a high level of skill shortages for that occupation.

It is estimated that a third of vacancies are notified to Jobcentres (a quarter in London). One in four placements are made through Jobcentres. The data, therefore, provides a reasonable sample of vacancies occurring in any locality and a reliable means of monitoring trends over time. However, as few managerial vacancies are dealt with by Jobcentres, the NOMIS data is a less useful indicator of management skill shortages.

The NOMIS-based information on skill shortages has been complemented by findings from a recent major study of the industry's training needs[1]. This also examined recruitment difficulties experienced by employers (by sector and by occupation) and drew up a comprehensive profile of the range and adequacy of skills of existing staff.

A note of caution

Using recruitment difficulties as a measure of skills shortages has some limitations. It cannot be assumed that employers only recruit those with the ideal skill level, and do not make compromises or adjustments, e.g. accepting reduced efficiency while the skills are learnt on the job and/or training is given. Nor can it be assumed that all current staff possess the range and type of skills their job ideally requires. For example, students who do waiting or bar work during their vacations, and graduates who take fill-in catering jobs while looking for opportunities in the field they trained for, would generally be considered to be over-qualified.

Another shortcoming of this approach is that employers may have difficulty recruiting because of the image of the job (and/or the industry itself). Nor can employers expect to find it easy to fill jobs where the pay is uncompetitive, or the working conditions unattractive. Sometimes unrealistically high recruitment standards may be set for a job, with the result that no-one measures up to it and the vacancy is unfilled.

[1] *Training Who Needs it?*, HtF, 1995

Overview of the industry

Numbers of notified vacancies and unfilled vacancies for catering and hospitality jobs declined between 1988 and 1991/2, as employers reduced recruitment to cope with the recession, and more people sought the jobs that were available (Table 5.1).

The speed of the decline varied. Notified vacancies fell by 16%, unfilled vacancies by 55%. In the same period (1988–91/2), the number of filled vacancies increased by 5%. The ratio of unfilled vacancies to notified vacancies – the indicator of skill shortages – came down from 39% in 1988 to 19% in 1991.

After 1992, the volume of all three types of vacancies started to rise. Between 1992 and 1995, notified vacancies went up by 21%, unfilled vacancies by 66% and filled vacancies by 14%.

Table 5.1
Vacancies reported by Jobcentres

	Vacancies			Skills shortage ratio[1]
	Notified (000s)	Filled (000s)	Unfilled (000s)	%
1987	339	219	124	37
1988	365	229	141	39
1989	354	225	229	36
1990	340	217	101	30
1991	340	240	63	19
1992	307	237	67	22
1993	332	242	80	24
1994	354	263	98	28
1995	371	269	111	30

Source: Department for Education & Employment/NOMIS
[1] Ratio of unfilled vacancies to notified vacancies

The catering and hospitality industry registered higher levels of hard-to-fill-vacancies than any other industry throughout the 1987–95 period (Table 5.2). In 1994, 41% of hotels and restaurants had experienced hard-to-fill vacancies over the previous 12 months, compared to 29% in health and social work and 22% in manufacturing. According to a CBI report[1], one tenth of all hard-to-fill vacancies were for catering occupations.

In 1995, even more hotels and restaurants had hard-to-fill vacancies, 57%, but other industries experienced a similar increase, e.g. wholesale and retail up from 18% to 40%.

Nevertheless, the skills shortage in the hospitality industry was lower than it had been before the recession.

As the economic recovery gains pace, employers across all industries expect skills shortages to become more significant[2]. Catering and hospitality will be no exception with particular problems at management and craft levels. The lack of breadth at craft level that has historically bedevilled the UK labour market[3] can only make matters worse.

[1] *Filling the Gaps – Skills for Tourism*, CBI, 1995

[2] *Labour Market & Skill Trends*, Skills and Enterprise Network, 1994

[3] *Labour Market & Skill Trends*, ibid

Table 5.2
Hard-to-fill vacancies by industry (percentages of all employers)

	Hard-to-fill vacancies at time of interview						Experienced hard-to-fill vacancies over previous 12 months					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
Hotels & restaurants	26	17	19	21	27	37	38	42	47	39	41	57
Mining & quarrying[1]	8	4	2	7	–	8	29	18	4	22	15	38
Manufacturing	23	6	5	7	11	18	28	25	16	16	22	38
Electricity, gas, water supply[1]	39	18	1	3	1	7	18	50	4	4	1	16
Construction	20	6	2	3	6	11	24	20	9	6	13	28
Wholesale & retail	18	5	4	6	9	17	24	20	12	13	18	40
Transport, storage & communication	14	2	1	2	6	11	22	15	8	10	13	31
Finance	13	4	2	6	16	16	10	15	5	10	21	30
Real estate & business services	27	10	5	5	6	17	22	31	12	16	18	35
Public admin, defence & social security	25	8	4	4	3	3	27	30	13	12	12	12
Education	23	10	12	9	9	12	31	35	29	16	18	24
Health & social work	29	16	14	6	16	22	12	34	35	20	29	47
Other community, social & personal services	24	6	2	3	8	16	26	18	12	15	13	35

Source: Skill Needs in Britain 1995, Public Attitudes Survey, 1995 and Skill Needs in Britain 1994, IFF Research, 1994

[1] Sample size fewer than 50, so estimates subject to wide margins of error

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Occupational breakdown of skills shortages

As might be expected, the ratio of unfilled vacancies for all occupational groups dropped sharply during the recession (Table 5.3). However, 1991 was not the lowest level for all occupations. For publicans, waiting and bar staff, porters, domestic housekeepers and school meal helpers, this was 1992. Generally, the ratio of unfilled vacancies increased again after the recession, but remained behind the levels reached in 1987/8.

Bearing in mind the limitations of the data on management positions, the ratio of unfilled vacancies for hotel managers and restaurant managers remained high throughout the nine years.

Waiting and bar staff seem to have been easier to recruit in the post-recession period. Streamlining of operations during the recession and multi-skilling may explain this. Also, as Section 8 reports, these two occupational groups have done relatively better on pay and conditions. Between 1992 and 1993, wages for bar staff rose by 12.8% and those for waiting staff by 10.5%[1]. The increase for chefs was only 6.5%.

For chefs/cooks, the ratio of unfilled vacancies dropped from a peak of 55% in 1988 to 31% in 1991 and 1992, then climbed again to 45% in 1995.

Evidence from industry corroborates this. By 1994, employers were commenting on a resurgence of skills shortages in junior and middle layers of management as well as in middle ranking to senior chefs and junior chefs[2]. Recruitment consultants and industry bodies reported increased difficulties recruiting commis chefs and chefs de partie. Apparently, the growing demand for commis chefs is being hampered by a shortage of young people prepared to work their way up to that level[3].

[1] 'Shape up for the New Year', *Caterer & Hotelkeeper*, 23 December, 1993, p5

[2] 'Spectre of Skill Shortages Looms', *Caterer & Hotelkeeper*, 22 December 1994, p10

[3] 'Industry in Skill Shortage Threat', *Caterer & Hotelkeeper*, 8 September 1994, p10

Table 5.3
Ratio of unfilled vacancies by occupation

	1987	1988	1989	1990	1991	1992	1993	1994	1995
Hotel managers	47	49	44	41	27	41	43	42	45
Publicans	55	58	37	43	29	26	32	32	30
Restaurant managers	56	58	49	47	33	33	35	38	39
Chefs/cooks	52	55	50	43	31	31	36	42	45
Waiting staff	42	45	44	36	25	23	26	27	30
Bar staff	35	37	33	27	19	16	19	22	24
Catering assistants	29	33	31	25	16	20	22	26	28
Kitchen porters	26	28	27	23	18	16	17	21	23
Hotel porters	25	29	33	28	21	19	21	26	33
Domestic housekeepers	63	65	56	47	37	31	34	39	46
Non-domestic housekeepers	56	54	48	40	29	31	34	38	39
School meal helpers	55	58	48	46	37	31	33	37	n.a.
Travel attendants	34	36	35	27	20	22	43	50	24

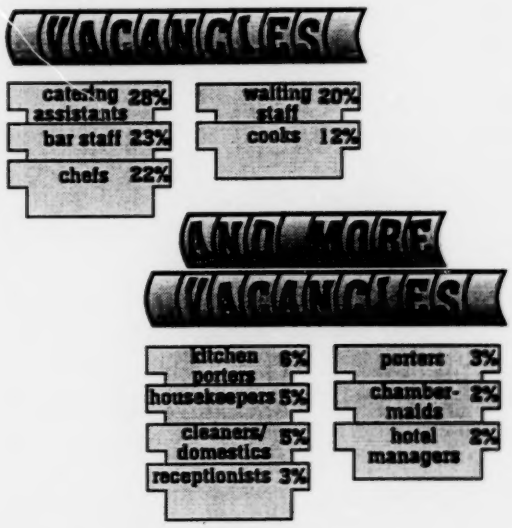
Source: Department for Education & Employment/NOMIS

The views of the employers surveyed in the *Training Who Needs it?* study[1] support these comments: 44% had experienced difficulties in recruiting staff. Specific problem areas were the recruitment of chefs/cooks, catering assistants and supervisors, bar and waiting staff (Figure 5.1). The main reasons given for these difficulties were skills shortages, shift work, poor pay and a general lack of interest in the work (Figure 5.2).

The lack of adequate skills in the hospitality industry was highlighted in the CBI report referred to earlier[2]. It found that 39% of tourism businesses faced problems with managerial occupations and 46% with food preparation staff. The skills gap in food preparation was attributed in part to the inadequate supply of labour and in part to failings in education and training.

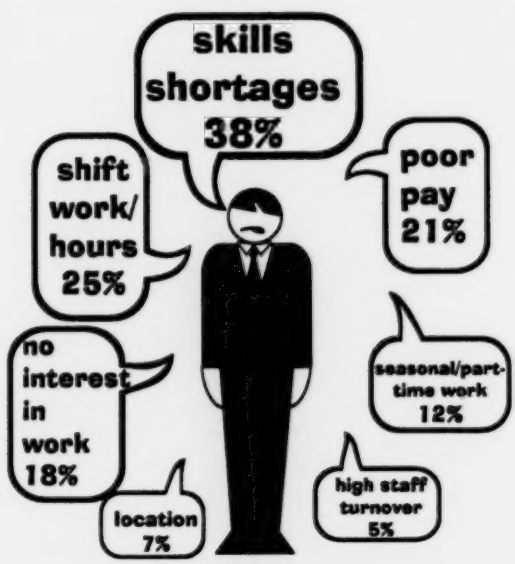
As Section 7 of this report examines in more detail, qualifications held by different job categories in catering and hospitality were one level lower than the equivalent job category for all industries. Almost 35% of those working in hospitality had no qualifications compared to under one quarter of all employees. The output from college-based catering courses is likely to meet less than 28% of the annual replacement needs for skilled personnel in the industry and less than 7% of demand for qualified managers.

Figure 5.1
Occupations difficult to recruit



Source: *Training Who Needs it?*, HtF, 1995
Base: employers who reported recruitment difficulties (175)

Figure 5.2
Reasons for difficulties in recruitment



Source: *Training Who Needs it?*, HtF, 1995
Base: employers who reported recruitment difficulties (175)

[1] *Training Who Needs it?*, ibid
[2] *Filling the Gaps*, ibid

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Regional breakdown of skill shortages

The impact of the recession varied between regions. In London and the South East, the ratio of unfilled vacancies fell from 38% and 50% in 1987 to 12% and 22% respectively in 1991 (Table 5.4). In Scotland over the same period, the ratio of unfilled vacancies dropped much less, from 27% to 23%. Since London attracts a large number of job seekers, employers there have a larger pool to draw from and are less likely to have difficulty recruiting staff with the necessary qualifications and skills.

London lost one in ten of its catering and hospitality jobs between 1990 and 1991. This fall was the worst for any region and compares with a 2.2% decline nationally[1]. This is in line with other studies which show that the metropolitan areas of Greater London, West Yorkshire and Greater Manchester suffered the greatest job losses in the recession[2].

Merseyside, Lancashire, South Yorkshire and Derbyshire recorded significant employment gains between 1989 and 1991[3] – by contrast, the industry overall lost 2% of its jobs during this period. Scotland also fared better than average (the economic downturn seems to have had less severe effects there[4]).

[1] 'The Great North-South Divide', *Caterer & Hotelkeeper*, 12 November 1992, p23

[2] 'Uneven Industry Job Losses', *Caterer & Hotelkeeper*, 21 October 1993, p28

[3] 'An Unlikely Spot for a Boom', *Caterer & Hotelkeeper*, 28 October 1993, p30

[4] 'Mixed Fortunes on the Celtic Fringe', *Caterer & Hotelkeeper*, 26 November 1992, p24

Table 5.4
Ratio of unfilled vacancies by region

	1987	1988	1989	1990	1991	1992	1993	1994	1995
South East	50	59	52	40	22	29	29	35	38
East Anglia	38	45	46	33	17	22	28	32	38
London	38	35	28	20	12	12	20	23	18
South West	33	35	36	19	13	20	22	25	31
West Midlands	45	48	43	35	19	21	24	29	31
East Midlands	37	44	41	37	22	25	27	32	39
Yorkshire & Humberside	35	36	29	26	21	22	27	32	32
North West	26	26	24	22	17	19	20	22	24
Northern	34	32	29	27	18	21	22	25	28
Wales	35	37	46	42	21	27	25	30	35
Scotland	27	29	30	31	23	23	25	26	32
Great Britain	**37**	**39**	**36**	**30**	**19**	**22**	**24**	**28**	**30**

Source: Department for Education & Employment/NOMIS

After the recession, skills shortages in the South West and East Anglia soon re-emerged. The ratio of unfilled vacancies more than doubled between 1991 and 1995. In the South East it increased by 73%. Scotland showed the smallest increase with 39%.

As commented earlier, recruitment difficulties in 1995 were generally less than they had been before the recession. In the South East and West Midlands the level of skills shortages fell by 36% and 35% respectively between 1988 and 1995. In Scotland however, there was a 10% increase.

In 1995, regions with the highest ratios of unfilled vacancies were East Midlands (39%), the South East (38%), East Anglia (38%), Wales (35%), and Yorkshire and Humberside (32%). The same regions had the highest level of unfilled vacancies for chefs and cooks, over 50% in most cases (Table 5.5). London had the lowest level generally, at 18%, and by a wide margin for waiting and bar staff, only 17% compared to 42% in the South East and East Midlands for waiting staff, and 33% for bar staff in the South East.

Table 5.5
Ratio of unfilled vacancies by occupation and region, 1995

	South East	East Anglia	Lond-on	South West	West Mid-lands	East Mid-lands	York's & Humb-erside	North West	North-ern	Wales	Scot-land	Great Britain
Hotel managers	49	42	41	38	40	51	44	39	40	55	52	45
Publicans	28	35	17	27	30	35	22	33	27	46	40	30
Restaurant managers	38	54	26	37	43	49	48	39	51	57	46	39
Chefs/cooks	50	53	36	42	50	53	47	39	43	58	43	45
Waiting staff	42	42	17	30	25	42	36	22	31	25	33	30
Bar staff	33	28	17	25	27	27	23	20	19	27	26	24
Catering assistants	36	33	21	27	27	38	28	19	24	35	30	28
Kitchen porters	31	29	9	27	26	36	27	23	25	31	26	23
Hotel porters	41	41	22	33	41	45	34	23	29	41	31	33
Domestic housekeepers	49	28	37	43	39	58	57	50	31	65	37	46
Non-domestic housekeepers	53	44	42	30	34	38	26	29	13	43	45	39
Travel attendants	22	33	12	29	23	23	53	16	18	61	27	24
Total	**38**	**38**	**18**	**31**	**31**	**39**	**32**	**24**	**28**	**35**	**32**	**30**

Source: Department for Education & Employment/NOMIS

Seasonal demands for staff/skills shortages

Notified and filled vacancies both reached their peak in the third quarter (June to August), traditionally the busiest time for many catering and hospitality businesses (Figure 5.3). Vacancies were generally at their lowest level in the first quarter (December-February), reflecting the fall in business post-Christmas and during the winter. Unfilled vacancies reached their peak in either the second or third quarter.

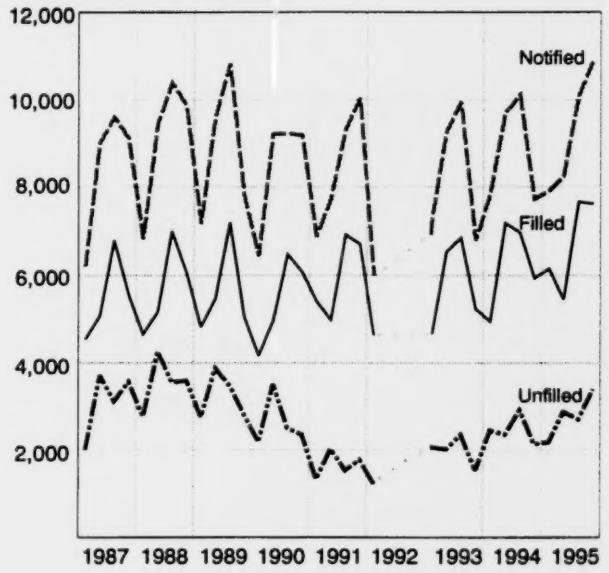
The variation between the third and fourth quarter was greatest for notified vacancies. Although the general impression might be formed that the volume of notified vacancies did not change much over the period 1987 to 1995, a comparison with Table 5.1 shows that this was not so.

The ratio of unfilled to total vacancies peaked in the second quarter (March-May) for the 1987–91 period and the first quarter for the 1992–5 period (Figure 5.4). The low point also moved, from the third quarter in 1987–91 to the second quarter in 1992–5 period.

The re-emerging pattern of skills shortages after the recession, but not yet reaching the pre-1991 levels is clearly shown. However the seasonal variations do somewhat obscure annual trends, e.g. as Table 5.1 confirms, the annual ratio for 1995 was the same as 1990.

Figure 5.3

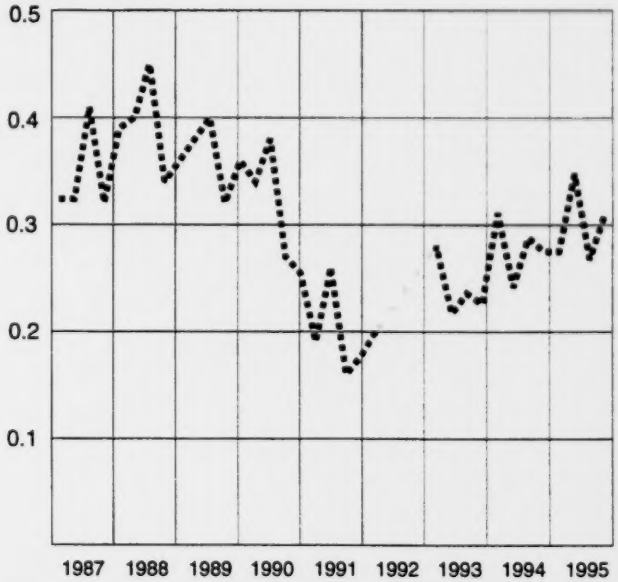
Notified, filled and unfilled vacancies in catering and hospitality jobs, by quarter



Source: Department for Education & Employment/NOMIS
Note: no data available for 2nd, 3rd and 4th quarters of 1992

Figure 5.4

Ratio of unfilled vacancies in catering and hospitality jobs, by quarter



Source: Department for Education & Employment/NOMIS
Note: no data available for 2nd, 3rd and 4th quarters of 1992

Looking for a new job

The proportion of industry employees looking for a new job did not change much between 1992 and 1994. Waiting staff overtook bar staff, increasing from 6.9% in 1992 to 9.3% in 1994 (Table 5.6). Even though the ratio of unfilled vacancies for chefs/cooks was notably higher in 1994 than in 1992 (see Table 5.3), the proportion looking for a new job dropped slightly.

Table 5.6
Employees seeking alternative employment (percentages)

	Looking for new job		Looking for additional job		Not looking for job		Total	
	1992	1994	1992	1994	1992	1994	1992	1994
Hotel managers	2.6	3.5	0.8	0.5	96.6	96.0	100	100
Restaurant managers	3.4	5.3	0.9	0.5	95.8	94.2	100	100
Publicans	2.1	2.6	0.4	–	97.5	97.4	100	100
Chefs/cooks	7.6	6.1	1.2	0.6	91.1	93.3	100	100
Waiting staff	6.9	9.3	2.1	2.2	90.9	88.5	100	100
Bar staff	9.0	9.1	4.8	4.8	86.2	86.1	100	100
Kitchen porters	7.7	8.6	2.6	1.0	89.7	90.4	100	100
Catering assistants	6.6	6.2	0.7	1.7	92.6	92.1	100	100

Source: Labour Force Survey

Unsatisfactory pay was the most common reason for seeking a new job (Table 5.7). Wanting to work shorter hours was mentioned by 43% of restaurant managers (although in the similar survey of 1992, see the first edition of this report, none had given this reason). Those wanting to work longer hours were likely to be part-time employees. (This data should be treated with caution given the small sample base.)

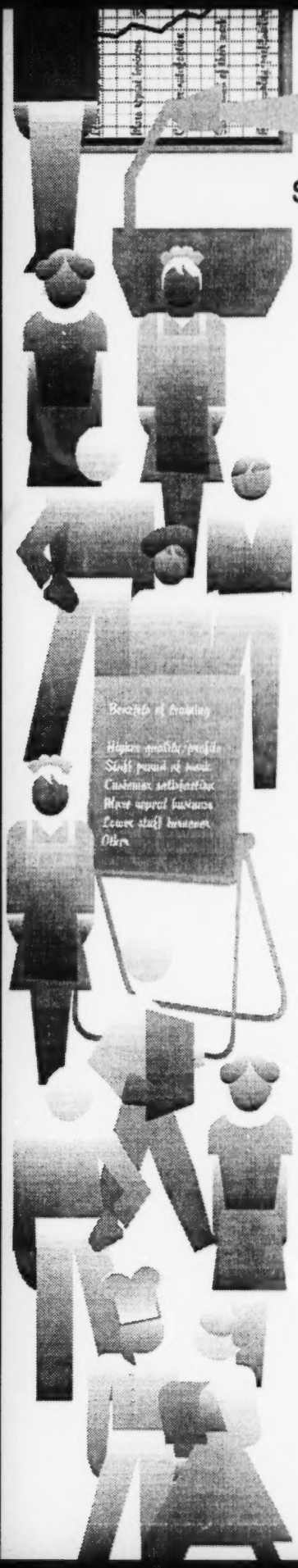
Table 5.7

Reasons for seeking alternative employment, Spring 1994 (percentages)

	Present job may end	In current job to fill time	Pay unsat-isfact-ory	Journey unsat-isfact-ory	Want longer hours	Want shorter hours	Other aspects of current job	Other reason	Total
Hotel managers	–	–	39	–	–	13	35	13	100
Publicans	–	9	52	–	–	–	–	39	100
Restaurant managers	–	7	6	–	–	43	17	27	100
Chefs/cooks	6	12	46	–	5	6	13	12	100
Waiting staff	–	21	23	2	12	6	18	18	100
Bar staff	2	38	31	–	20	–	6	3	100
Kitchen porters	9	38	16	–	17	3	10	7	100
Catering assistants	13	8	19	4	14	4	25	13	100
Cleaners/domestics[1]	5	18	26	4	23	1	13	10	100

Source: Labour Force Survey

[1] includes cleaners and domestics in all industries



SECTION 6 Training

This section examines training activity in the catering and hospitality industry and some of the issues which influence it. It reports on the level and type of training provision, the use of training plans and budgets, the range of training providers used and the constraints on training activity as perceived by employers. Three principal sources were used: the Labour Force Survey, the annual Skill Needs in Britain report, and the HtF research published in *Training Who Needs it?*

Current training provision

In 1994, 11% of the industry's employees had received training, compared to nearly 15% in all industries (Table 6.1).

The breakdown by occupational group suggests that waiting and bar staff were the most likely to receive training, and that most of this was off-the-job training. However this data must be treated with caution in view of the small sample base.

In the HtF survey[1], 57% of employers had provided some training other than induction training in the past 12 months. More of the larger establishments did training, 82% of those employing over 25 staff compared to 40% of those employing ten or fewer (Figure 6.1). However, even the record of the larger establishments does not compare well to all industries, where 44% of all employees in companies employing more than 25 had had training[2].

[1] *Training Who Needs it?*, HtF, 1995

[2] *Skill Needs in Britain 1995*, Public Attitude Surveys Ltd, 1995

Table 6.1

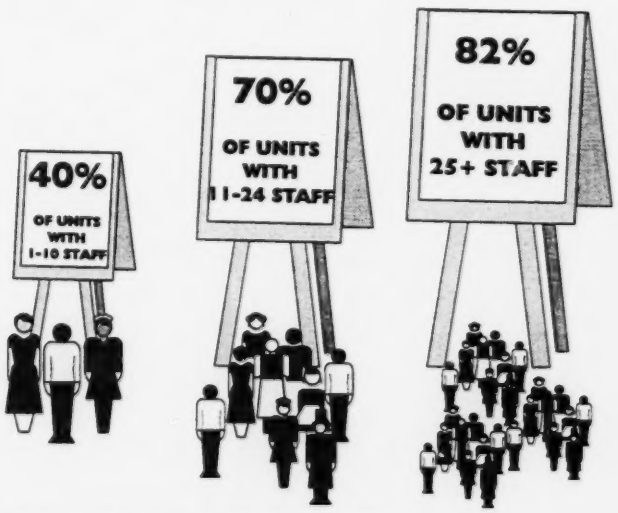
Employees who had recently received job-related training, 1994 (percentages)

	On-the job	Off-the job	Both	Total
Spring 1992				
Distribution, hotels catering & repairs	2.7	6.7	1.3	10.7
All industries	4.0	8.6	1.9	14.5
Spring 1994				
Hotels & restaurants	2.7	7.5	1.0	11.2
All industries	4.4	8.2	2.0	14.6
Hotel managers	1.7	6.1	2.0	9.8
Restaurant managers	2.0	5.7	1.5	9.2
Publicans	1.8	1.0	1.6	4.4
Chefs/cooks	3.9	5.9	2.5	12.3
Waiting staff	3.3	11.0	1.0	15.3
Bar staff	2.0	12.4	0.4	14.8
Travel flight attendants	5.6	2.0	2.9	10.5
Housekeepers	2.2	9.0	–	11.2
Kitchen porters	1.6	6.3	0.3	8.2
Catering assistants	2.3	6.2	0.4	8.9

Source: Labour Force Survey

Figure 6.1

Training provision by size of employer



Source: *Training Who Needs it?*, HtF, 1995
Base: all employers (562)

Hospital catering came out best in the HtF survey: 93% of the employers in this sector had provided training (Figure 6.2). Next were in-house caterers in business and industry (82%), college caterers (73%) and contract caterers (64%). Half the hotels, pubs and bars provided training, 43% of fast food/ take-away outlets and only 34% of traditional restaurants.

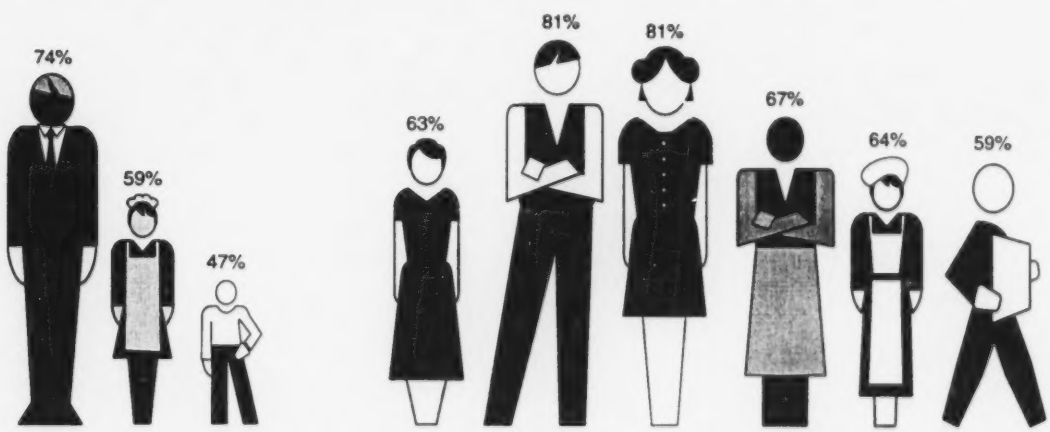
There is a strong correlation between size and sector. Catering units in hospitals, education and industry tend to be larger than pubs and restaurants, for example. Furthermore, the first group are part of industries with a strong training culture.

Part-time and casual staff were least likely to have received training, as were staff in lower occupational levels (Figure 6.3). Three-quarters of full-time staff had received training, compared to 59% of part-time staff and 47% of casuals. Of those at middle management and supervisory levels, 81% had received training, compared to 59% of operatives.

Figure 6.2
Training provision by sector

Source: *Training Who Needs it?*, HtF, 1995
Base: all employers (562)

Figure 6.3
Employees trained by employment status and occupational level



Source: *Training Who Needs it?*, HtF, 1995
Base: all employees (1,319)

Types of training

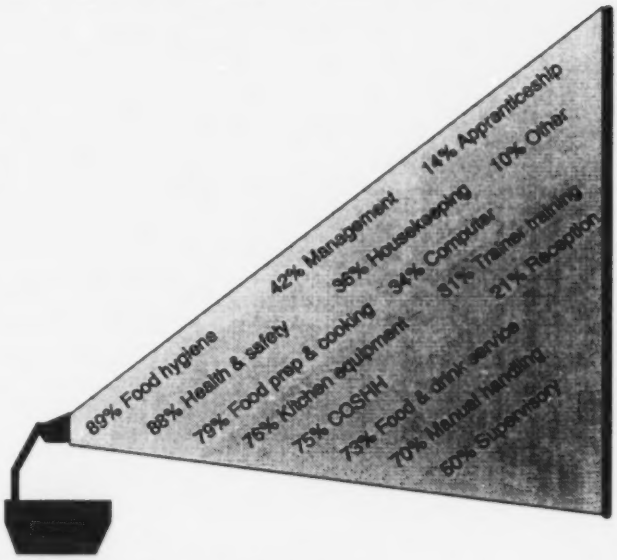
Of those employers providing training in the HtF survey, nine in ten provided food hygiene and health and safety training (Figure 6.4). In view of employer's legal responsibilities under the Food Safety Act and Health and Safety Act, this is to be expected and previous HtF reports have identified a similar picture.

Training was provided in food preparation and cooking by 79% of employers, in the use of kitchen equipment by 76% (frequently by suppliers); and in food and drink service by 73%.

The most frequently used training methods were instruction by colleagues/supervisors (80%), learning by observation (79%) and demonstrations (76%). In-house training programmes were used by 62% of employers.

These findings correlate with the responses of employees who took part in the HtF survey. Of the 68% who had received training, 60% had been trained on-the-job (Figure 6.5).

Figure 6.4
Subject in which employers provided training



Source: *Training Who Needs it?*, HtF, 1995
Base: employers who provided training (319)

Figure 6.5
Type of training employees received

Source: *Training Who Needs it?*, HtF, 1995
Base: all employees (1,319)

Training providers

Three-quarters of companies in all industries who had paid for, or arranged, off-the-job training over the previous 12 months, used an outside provider for at least some of this training (Table 6.2). More employers used further education colleges: 47% compared to 45% in 1994 and 44% in 1993.

Greater use was also made of private sector companies/consultants, up from 45% in 1993 to 51% in 1994 and 64% in 1995. Equipment suppliers ranked third. Industry training organisations moved up from 7th in 1994 to 6th in 1995, overtaking higher education establishments.

The HtF survey found that 62% of all training-active employers used external providers (75% of contract caterers and the education sector). Larger establishments were more likely to use external providers than smaller units.

Half the training-active employers used Environmental Health Officers (EHOs) (Figure 6.6). The same proportion (48%) used equipment suppliers and 41% used private training companies.

Asked what the main advantages were of using external training providers, respondents quoted external expertise (53%), saving managers' time (23%) and motivating staff (18%). The main disadvantages given were the expense (48%), staff having to travel (23%) and external trainers being unaware of individual business requirements (16%).

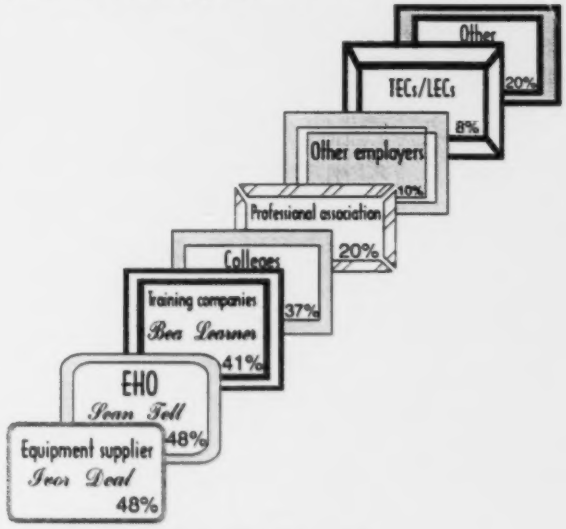
Table 6.2
Use of external training providers by employers in all industries[1] (percentages)

	1994	1995
Private sector companies	51	64
Further education colleges	45	47
Equipment suppliers	37	42
Professional associations	37	36
Other employer organisations	33	46
Higher education	38	31
Industry training organisations	25	33
Employers' bodies	14	16
Other employers	9	18
Local authority/government	n.a.	2
Voluntary organisations	n.a.	2
TEC/LEC	n.a.	1
Hospitals/local health authority	na.	1
Other	11	n.a.
Using any	77	n.a.

Source: Skill Needs in Britain 1995, Public Attitudes Surveys Ltd, 1995 and Skill Needs in Britain 1994, IFF Research, 1995

[1] multiple responses

Figure 6.6
External training providers used



Source: *Training Who Needs it?*, HtF, 1995
Base: employers who provided training (319)

Training plans and training spend

Hospitality employers were as likely to have a training plan as employers in all industries, but fewer – 43% compared to 55% – had a training budget (Table 6.3). (The proportion of hospitality employers with a training budget was 57% in 1993.)

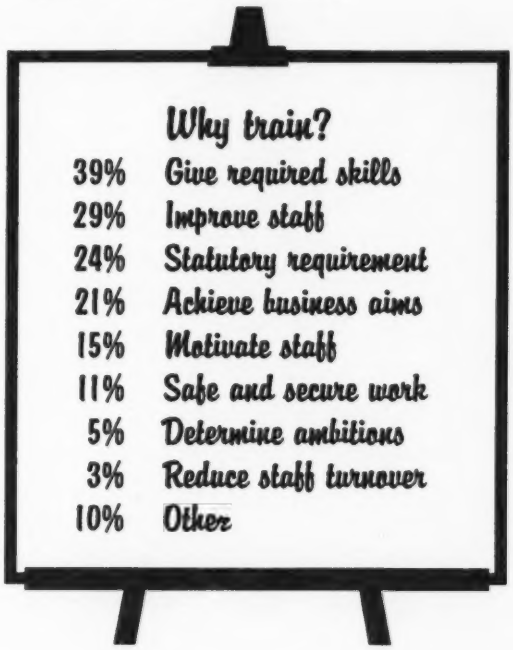
The HtF survey showed a less encouraging picture: 31% of the industry's employers had a formal (written) training plan and 19% had a training budget. Of the training-active employers, 55% had a training plan, and one-third a training budget.

Table 6.3
Employers with training plans / budgets, 1994 (percentages)

	Training plan	Training budget
All industries	63	55
Catering & hospitality	64	43

Source: Skill Needs in Britain 1994, IFF Research, 1994

Figure 6.7
Employers' motives for training



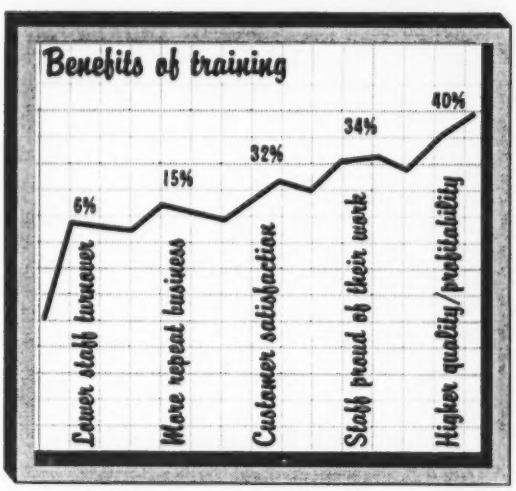
Source: *Training Who Needs it?*, HtF, 1995
Base: employers who provided training (319)

Benefits of training

The main reasons given by training-active employers in the HtF survey for providing training (Figure 6.7) were to ensure staff had the necessary skills for the job (39%), to improve the quality of staff (29%), to meet statutory requirements (24%) and to achieve business aims (21%). Most employers believed that staff were more likely to stay as a result of training.

Asked about the main benefits of training, 40% of employers mentioned increased quality/profits, 34% said that staff had greater pride in their work and 32% quoted improved levels of customer satisfaction (Figure 6.8).

Figure 6.8
Benefits of training as perceived by employers



Source: *Training Who Needs it?*, HtF, 1995
Base: employers who provided training (319)

Asked the same question, 57% of employees gave better job performance as the main benefit of training, 18% mentioned improved promotion prospects and 12% increased opportunities for qualifications (Figure 6.9). This was in line with an earlier HtF study of employee attitudes[1] in which ability to do the job better was considered the most beneficial outcome of training by 48% of employees.

Why employers did not train

Although 43% of employers in the HtF *Training Who Needs it?* survey had not provided any training (other than induction) in the past 12 months, a third of these had done so in previous years and 42% expected to train their staff in the future. These employers may be among those who use training as a 'one-off fix' to provide particular skills. Indeed, the main reason given for not training was that their staff already had adequate skills (in some cases provided as part of their induction programme).

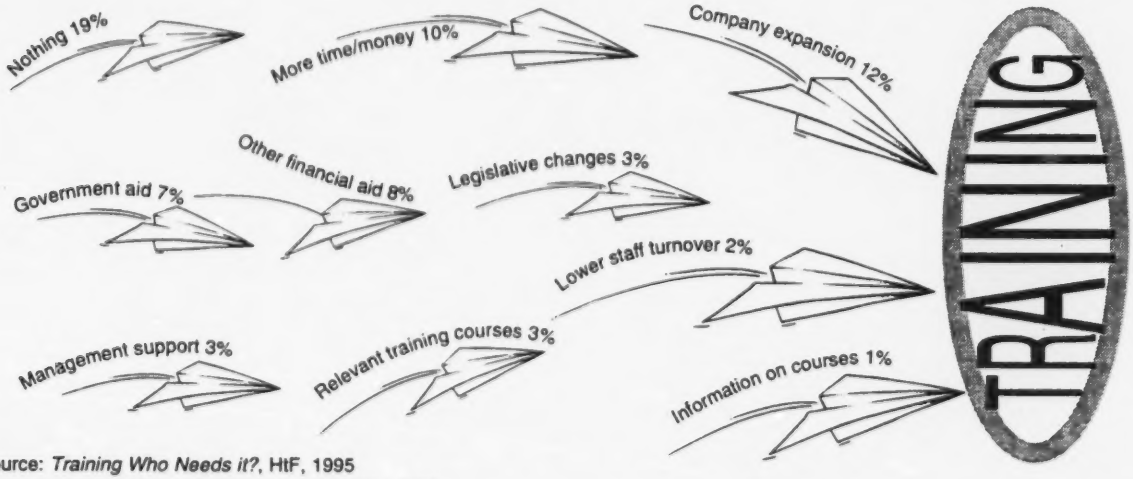
Asked what would encourage them to train, 25% of these employers said that more time/money would or government and other financial aid (Figure 6.10).

[1] *Employee Attitudes & Career Expectations*, HtF, 1994

Figure 6.9
Benefits of training as perceived by employees

Source: *Training Who Needs it?*, HtF, 1995
Base: all employees (1,319)

Figure 6.10
What would encourage employers to train in the future



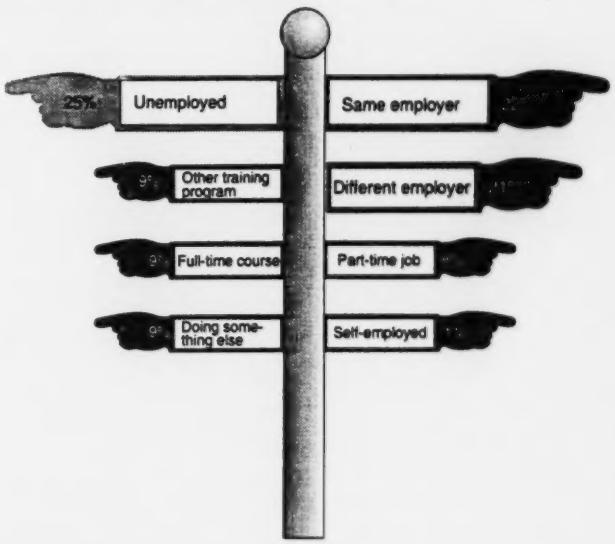
Source: *Training Who Needs it?*, HtF, 1995
Base: employers who had not provided training (242)

Destinations of youth training leavers

In 1993/4, half those leaving youth training programmes in catering and hospitality went into employment: 22% stayed with the employer they had been working for during the programme, 21% went to a different employer, 8% took part-time jobs and 1% became self-employed (Figure 6.11). One-quarter were unemployed on leaving, or left before completing their scheme.

In the previous year's survey, 43% of the trainees went into employment, 19% with the same employer, 17% with a different employer.

Figure 6.11
Destinations of youth training leavers on catering and hospitality programmes in Great Britain, April 1993 to March 1994



Source: Youth Training National Leaver Survey/Training Statistics 1995

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SECTION 7 Qualifications

This section presents a profile of the qualifications held by the catering and hospitality workforce. It compares the hospitality industry with all industries and looks at the qualification levels of different occupations. Details are given of the take-up of National and Scottish Vocational Qualifications in the industry, and the industry's progress towards achieving national education and training targets.

Industry comparisons

A quarter of employees in the commercial sectors of the industry had no qualifications compared to 18% of the UK working population (Table 7.1). This was a considerable improvement on 1992, when 35% of the industry's workforce had no qualifications.

The proportion of hospitality employees with GCSE or equivalent in 1994 was above the national average, 21% compared to 18%. Similarly, more people in hospitality held an A level or equivalent, 9% compared to 7%. This is likely to reflect the numbers of students taking part-time or seasonal jobs in the industry to supplement their income.

The industry's managers were less well qualified than the workforce as a whole. In 1994, 13% had a degree, BTEC Higher Diploma or equivalent, compared to 42% in all industries. If teaching, nursing and other degree equivalent qualifications are also considered, the gap increases: hospitality managers with 16%, all industries with 52%.

Although the proportion of craftspeople in catering and hospitality without qualifications was 26% in 1994, compared to 20% in all industries, more catering employees had GCSE or equivalent, 13% compared to 9%, while 11% had a BTEC National or First Certificate compared to 4%.

The industry had fewer craftspeople with City & Guilds or an advanced craft certificate, 4% compared to 12% in all industries. Possibly some of the industry's craft qualifications were classified as 'trade apprentice', nevertheless only 24% of hospitality craftspeople had this, compared to 36% in all industries.

Table 7.1

Highest qualification achieved by employees' economic status (percentages of all employees): all industries and catering and hospitality (commercial sectors only)

	Spring 1992		Spring 1994					
	Total[1]		Total[1]		Managerial		Craft	
	All	C&H	All	C&H	All	C&H	All	C&H
Degree	11.6	2.6	13.0	3.1	32.1	7.4	1.5	–
BTEC Higher	3.9	2.4	5.2	2.9	9.4	5.4	4.2	2.7
Other degree equivalents	4.2	1.1	4.4	1.5	9.9	2.8	2.6	3.5
A level or equivalent	6.4	6.6	6.9	8.8	8.8	8.8	2.3	–
GCSE or equivalent	22.1	24.2	17.5	20.8	12.5	15.0	8.7	13.2
BTEC National/First	3.3	3.5	3.0	3.6	2.8	3.1	3.6	11.4
City & Guilds/adv craft	10.6	11.5	3.9	4.2	2.4	5.5	12.0	4.0
Trade apprentice	7.4	5.5	11.9	8.7	7.1	14.2	36.2	24.1
None	24.0	34.6	18.0	24.6	6.8	16.7	19.8	25.8
Total	100	100	100	100	100	100	100	100

Source: Labour Force Survey

[1] includes clerical, personal and sales

Looking at the qualification levels of specific occupations, 14% of hotel managers had a degree or BTEC Higher, 13% of restaurant managers and 7% of pub managers (Table 7.2). If teaching and other degree equivalents are taken into account, the proportions were 22%, 14% and 8% respectively.

For chefs and cooks, qualification levels were better than the industry total for craftspeople: 16% had City and Guilds/advanced craft and 17% other qualifications categorised as 'trade apprentice'.

Comparing the number of people in these occupational groups who held no qualifications with the situation in 1992, there were encouraging improvements: hotel managers 15% (was 24%), restaurant managers 19% (was 22%), pub managers 23% (was 31%), and chefs/cooks 21% (was 31%).

The recent HtF study of employee attitudes[1] suggests that the improvement in qualification levels evident between the 1992 and 1994 Labour Force Surveys should continue. A clear majority of respondents (63%) were aware of NVQs/SVQs and interested in working towards them. Employers keen to tackle a major cause of staff dissatisfaction, the lack of opportunity to gain qualifications, are also likely to encourage NVQs/SVQs.

[1] *Employee Attitudes & Career Expectations*, HtF, 1994

Table 7.2

Highest qualification (excluding NVQs/SVQs), by occupation (in commercial sectors only), spring 1994

	Hotel managers	Pub managers	Restaurant managers	Chefs/ cooks	Waiting staff	Bar staff	Domestic housekeepers	Receptionists
Degree	9.0	3.3	6.5	0.8	2.5	3.8	–	3.2
BTEC Higher	5.3	3.9	6.8	1.3	0.6	2.8	–	3.2
Other degree equivalent	7.2	1.9	1.7	1.2	1.0	0.9	5.2	5.9
A level or equivalent	8.4	7.2	6.3	4.2	10.8	17.9	2.4	8.1
GCSE or equivalent	17.0	11.6	14.2	10.3	35.1	23.1	8.4	28.2
BTEC National/First	3.5	0.9	3.8	2.1	3.3	3.9	1.4	3.1
City & Guilds/adv craft	2.1	6.4	8.1	15.6	3.3	1.5	–	1.4
Trade apprentice	10.6	20.7	12.3	17.0	3.0	7.0	11.5	4.5
Other	21.9	19.7	21.3	26.6	19.4	15.8	12.6	22.8
None	15.0	22.6	19.2	20.9	21.0	23.3	58.5	19.6
Total	100	100	100	100	100	100	100	100

Source: Labour Force Survey

NVQs/SVQs

NVQs/SVQs in catering and hospitality were formally launched in early 1992. By June 1996, there had been just under 189,000 registrations of candidates and almost 50,500 NVQs/SVQs had been awarded.

The great majority of registrations and awards have been at levels 1 and 2 (Figure 7.1). Food preparation and cooking has been the most popular qualification route at levels 1, 2 and 3, followed by food and drink service (Figure 7.2). This is similar to the take-up of the City and Guilds schemes which replaced NVQs/SVQs: in 1989/90 over 18,000 awards were made of 706 Cookery for the Catering Industry, 7,400 of 707 Food and Beverage Service, 500 of 709/720 Hotel Reception and Front Office and 580 of 708 Accommodation Service[1].

Much of the take-up at levels 3 and 4 has been in on-licensed premises management.

[1] *Meeting Competence Needs in the Hotel and Catering Industry – Now and in the Future*, HtF, 1992

Figure 7.1
NVQ/SVQ registrations and awards, by level up to end-June 1996

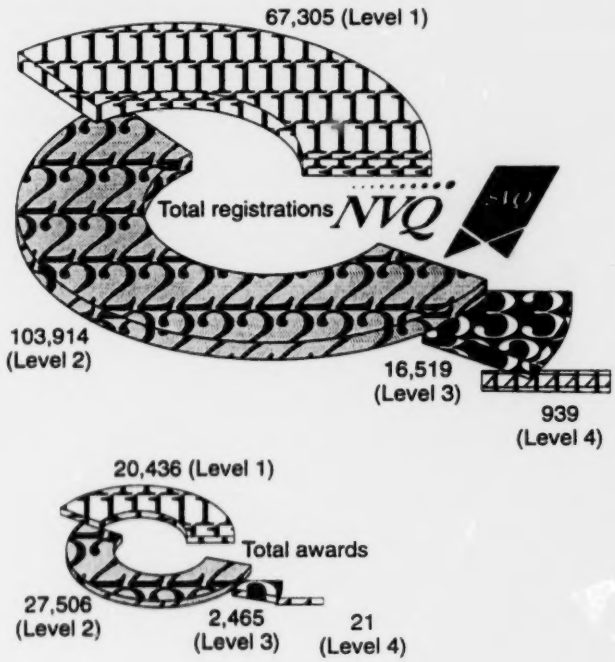
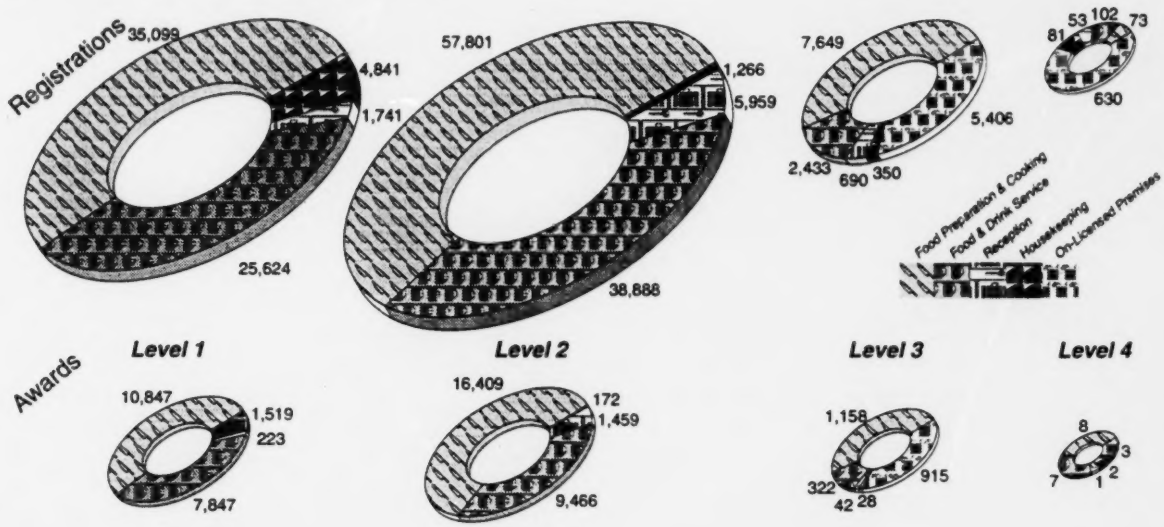


Figure 7.2
NVQ/SVQ registrations and awards, by level and functional area up to end-June 1996



The slight drop in numbers of registrations at levels 1 and 2 in 1995/6, where colleges remained the main market, is in contrast to the substantial increase at levels 3 and 4. Here the on-licensed premises qualifications have been enthusiastically adopted by employers in licensed retailing (Table 7.3). This indicates the potential growth through more industry-based candidates in the other subject areas.

The level 1 and 2 pattern is again similar to the pre-NVQ/SVQ situation. In 1989/90, for example, 20–30% fewer City and Guilds awards were made compared to 1986/7.

In housekeeping, the low take-up is being addressed through a number of initiatives involving employers, suppliers, the lead body, the housekeepers association and other professional and trade organisations. With around 30% of the industry's workforce employed in housekeeping and related services, the scope for growth is very considerable.

Table 7.3
NVQ/SVQ registrations by level and functional area

	Up to June '93	July '93 to June '94	July '94 to June '95	July '95 to June '96	Total
Level 1	16,508	15,709	17,929	17,159	67,305
Level 2	21,320	29,503	29,181	23,910	103,914
Level 3	1,699	3,960	4,179	6,681	16,519
Level 4	159	355	236	189	939
Total	39,686	49,527	51,525	47,939	188,677
Functional area					
Food preparation & cooking[1]	21,682	27,029	25,063	26,849	100,623
Food & drink service[2]	14,151	19,099	21,350	18,483	73,083
Reception[3]	2,395	1,794	2,473	1,781	8,443
Housekeeping	1,458	1,605	2,639	826	6,528
Total	39,686	49,527	51,525	47,939	188,677

Source: Hospitality Training Foundation

[1] includes Preparing & Serving Food at levels 1 and 2

[2] includes On-Licensed Premises at levels 3 and 4

[3] includes Portering at level 1, Guest Service at levels 1 and 2, and General at level 2

Revisions to the occupational standards and the new qualification framework introduced in March 1995 is expected to improve the number of awards and registrations significantly (Table 7.5 and Figure 7.3).

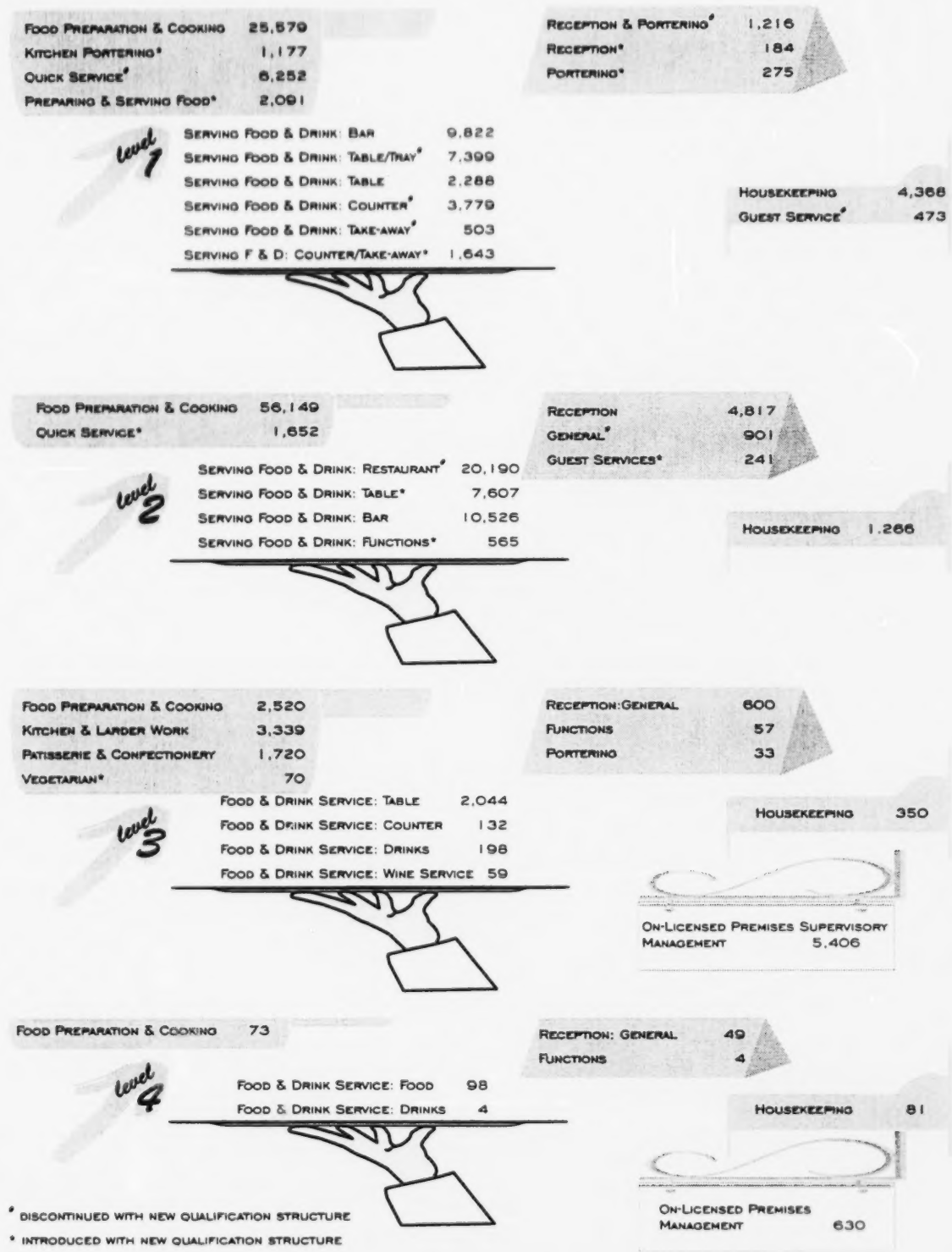
Among the new routes which have been added in response to industry needs, are vending at level 1 in the food and drink service cluster of qualifications, and functions at level 2. Quick service is now at level 2, with more appropriate mix of units. Kitchen portering has been added at level 1, Vegetarian at level 3. Reception and portering at level 1 have been split.

Industry has reacted favourably to the more user-friendly layout and wording of the occupational standards. Several large companies which have been piloting NVQs/SVQs and the occupational standards, are moving to full-scale implementation.

Table 7.5
Total awards for each NVQ/SVQ up to end-June 1996

Level	Original framework (January 1992)	Number	Revised framework (March 1995)	Number
Level 1	Food Preparation & Cooking	7,158	Food Preparation & Cooking	1,267
	Quick Service	2,208	Preparing & Serving Food	140
			Kitchen Portering	74
	Serving Food & Drink: Bar	1,785	Serving Food & Drink: Bar	1,946
	Serving Food & Drink: Table/Tray	2,432	Serving Food & Drink: Table	353
	Serving Food & Drink: Counter	967	Serving Food & Drink: Counter/Take-away	246
	Serving Food & Drink: Take-away	69	Serving Food & Drink: Vending	49
	Reception & Portering	189	Reception	5
			Portering	18
	Housekeeping	1,018	Housekeeping	275
	Guest Service	226	Guest Service	11
Level 2	Food Preparation & Cooking	14,262	Food Preparation & Cooking	1,849
			Quick Service	298
	Serving Food & Drink: Restaurant	5,766	Serving Food & Drink: Table	607
	Serving Food & Drink: Bar	1,632	Serving Food & Drink: Bar	1,439
			Serving Food & Drink: Functions	22
	Reception	1,030	Reception	230
	Housekeeping	116	Housekeeping	56
	General	172	Guest Service	27
Level 3	Food Preparation & Cooking	332		
	Kitchen & Larder Work	406	Kitchen & Larder Work	119
	Patisserie & Confectionery	255	Patisserie & Confectionery	44
			Vegetarian	2
	Food & Drink Service: a) Table	283		
	Food & Drink Service: b) Counter	16		
	Food & Drink Service: c) Drinks	23	*No other awards made at level 3*	
	Reception: a) General	39		
	Reception: b) Functions	2		
	Reception: c) Portering	1		
	Housekeeping	28		
	On-Licensed Premises Supervisory Mgmt	915		
Level 4	Food Preparation & Cooking	8		
	Food & Drink Service: a) Food	7		
	Reception: a) General	1	*No other awards made at level 4*	
	Housekeeping	2		
	On-Licensed Premises Management	3		

Figure 7.3
Total registrations for each NVQ/SVQ up to end-June 1996


Food Preparation & Cooking 25,579
Kitchen Portering* 1,177
Quick Service* 6,252
Preparing & Serving Food* 2,091
Reception & Portering* 1,216
Reception* 184
Portering* 275
level 1
Serving Food & Drink: Bar 9,822
Serving Food & Drink: Table/Tray* 7,399
Serving Food & Drink: Table 2,288
Serving Food & Drink: Counter* 3,779
Serving Food & Drink: Take-away* 503
Serving F & D: Counter/Take-away* 1,643
Housekeeping 4,368
Guest Service* 473
Food Preparation & Cooking 56,149
Quick Service* 1,652
Reception 4,817
General* 901
Guest Services* 241
level 2
Serving Food & Drink: Restaurant* 20,190
Serving Food & Drink: Table* 7,607
Serving Food & Drink: Bar 10,526
Serving Food & Drink: Functions* 565
Housekeeping 1,266
Food Preparation & Cooking 2,520
Kitchen & Larder Work 3,339
Patisserie & Confectionery 1,720
Vegetarian* 70
Reception: General 600
Functions 57
Portering 33
level 3
Food & Drink Service: Table 2,044
Food & Drink Service: Counter 132
Food & Drink Service: Drinks 198
Food & Drink Service: Wine Service 59
Housekeeping 350
On-Licensed Premises Supervisory Management 5,406
Food Preparation & Cooking 73
Reception: General 49
Functions 4
level 4
Food & Drink Service: Food 98
Food & Drink Service: Drinks 4
Housekeeping 81
On-Licensed Premises Management 630
* discontinued with new qualification structure
* introduced with new qualification structure

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General National/Scottish Vocational Qualifications (GNVQs/GSVQs)

By January 1996, 374 colleges and schools in England and Wales had approval to run a GNVQ in Hospitality and Catering. Since the introduction of the first programmes in September 1993, 10,092 candidates had registered for a GNVQ, 633 at Foundation level, 3,737 at Intermediate level and 5,722 at Advanced level.

In Scotland, GSVQs in Hospitality were introduced a year earlier. Between then and January 1966, there have been 2,611 registrations at level 2 and 565 at level 3.

National education and training targets

In England and Wales, National Targets for Education and Training (NTETs) were first set in 1991, the CBI playing a key role in full consultation with business, education and training. They have been widely accepted by employers and government as an important measure of the skills Britain needs to maintain and improve its competitive position in the world economy.

The NTETs were revised in 1995 to focus more sharply on key skills including communication, numeracy and information technology. Some targets were raised, and a clearer distinction made between broad aims and specific, measurable targets which contribute to these aims.

Foundation targets (see Table 7.5) set attainment levels for young people by the year 2000, with reference to GCSEs and A levels, GNVQs and NVQs. Lifetime targets concern the whole workforce, with targets for employees linked to A levels, Advanced GNVQs and level 3 and 4 NVQs, and for employers linked to Investors in People.

Scotland has a separate statement of general learning targets (Table 7.6).

The various trade and professional bodies representing the catering and hospitality industry were unanimous in their view[1] that the NTET aims were inappropriate. In particular, it was felt unrealistic that 50% (as it was in the 1991 set of NTETs) of the workforce should have NVQ/SVQ level 3 or equivalent, when only 10% of the industry's employees were at supervisory level.

The government accepted these arguments. It was agreed that 25% of catering and hospitality employees should be working towards or have gained a NVQ/SVQ by 1996 (the NTET equivalent at the time, was 50%, and has since been replaced by more specific targets).

[1] *NVQ/SVQ Implementation Action Plan for the Catering and Hospitality Industry and Licensed Trade*, HtF, 1993

Table 7.5

National Targets for Education and Training for 2000

Foundation Learning
1 85% of young people to achieve 5 GCSEs at grade C or above, an intermediate GNVQ or NVQ level 2
2 75% of young people to achieve level 2 competence in communication, numeracy and information technology by age 19; and 35% to achieve level 3 competence in these core skills by age 21
3 By age 21, 60% of young people to achieve 2 GCE A levels, an Advanced GNVQ or NVQ level 3
Lifetime Learning
1 60% of the workforce to be qualified to NVQ level 3, Advanced GNVQ or 2 A levels
2 30% of the workforce to have a vocational, professional, management or academic qualification at NVQ level 4 or above
3 70% of all organisations with 200 or more employees, and 35% of those employing 50 or more, to be recognised as Investors in People

Source: National Advisory Council for Education and Training Targets (NACETT), 1995

Table 7.6

Education and Training Targets for a Competitive Scotland

Learning Targets
1 All employers to invest in employee training and development to achieve business success
2 All individuals to have access to education and training opportunities, leading to recognised qualifications which meet their needs and aspirations
3 All education and training to develop self-reliance, flexibility and breadth, in particular through encouraging citizenship and fostering competence in core skills and creativity and enterprise
Targets for 2000
1 By age 19, 85% of young people to attain SVQ level 2 or GSVQ level 2 or 5 Standard grades (1–3) or equivalent
2 By age 21, 70% of young people to attain SVQ level 3 or GSVQ level 3 or 3 Higher (A–C) or equivalent
3 60% of the workforce to be qualified to at least SVQ level 3 or GSVQ level 3 or 3 Higher (A–C) or equivalent
4 30% of the workforce to have a vocational, professional, management or academic qualification to at least SVQ level 4 or equivalent
3 70% of all organisations with 200 or more employees, 35% of those employing 50 or more, and 15% of those employing under 50 to be recognised as Investors in People

Source: Advisory Council for Scottish Education and Training Targets (ACSETT)

The industry's targets were reviewed in 1995, together with the awarding bodies' forecasts of total NVQ/SVQ registrations and awards. New targets were agreed, based on accumulated totals of registrations and awards (Table 7.7) – the outcome of the NTET review, which led to the targets reproduced in Table 7.5, was not known at the time.

The industry is somewhat behind target. At 31 March 1996, there had been 183,000 registrations and 46,500 issues. Nevertheless, there are some very encouraging trends (commented on earlier). Further, the HtF, in its role as Industry Training Organisation, is working with employers, trade and professional associations to develop more relevant, challenging but achievable targets with the overall aim of raising standards of business performance and customer satisfaction in the industry.

Table 7.7

Catering and hospitality industry targets for NVQ/SVQ registrations and awards

As at 31 March	Registrations	NVQs/SVQs issued
1995	150,000	25,000
1996	350,000	70,000
1997	500,000	150,000
1998	700,000	200,000

Source: *NVQ/SVQ Implementation Action Plan, Stage 4*, HtF, 1995

SECTION **8**

Pay and earnings

This section provides information on the levels of pay and earnings in catering and hospitality, for full- and part-time, male and female employees, by occupation and by sector. Comparisons are made with all industries.

Earnings in 1995

The average gross weekly earnings for full-time employees on adult rates in the commercial sectors of the industry was £216.10, 36% below the average for all industries of £336.30 (Table 8.1).

Average weekly pay for females was 76% of that for males and 31% below the average for females in all industries. Manual workers earned 38% less than non-manual workers.

Table 8.1

Average gross weekly earning for full-time employees on adult rates, April 1995

	Catering & hospitality[1]	All industries
Males	242.20	374.60
Non-manual	326.20	443.30
Manual	196.50	291.30
Females	185.10	269.80
Non-manual	238.90	288.10
Manual	147.20	188.10
Total	216.10	336.30
Non-manual	282.80	371.60
Manual	175.10	271.80

Source: New Earnings Survey 1995

[1] Commercial sectors

Pay and earnings by sector

The contract catering sector had the highest average weekly earnings for male manual employees by a margin of almost £70 (Table 8.2), only £30 below the average for all industries. But female employees in contract catering were almost £100 behind their male counterparts, and less than £10 ahead of the next-best sector, hotels.

Pay and earnings by occupation

Hotel managers were the best paid occupation in 1995 (Table 8.3), but still some £3 per week below the average for manual and non-manual workers in all industries, and less than £40 above the average for non-manual workers.

Chefs and cooks were well ahead of waiting and bar staff who are likely to receive tips to supplement their gross earnings. Nevertheless, a 1994 report by the Low Pay Network[1] found the worst paid job for females in Britain was waitressing. For males it was kitchen portering.

[1] *After the Safety Net*, Low Pay Network, 1994

Table 8.2

Average gross weekly earnings by sector, April 1995

	Male	Female
Hotels		
Manual	190.00	151.50
Restaurants/cafés		
Manual	182.50	141.30
Pubs and bars		
Manual	185.60	137.50
Non-manual	301.4	n.a.
Contract catering		
Manual	259.40	160.40

Source: New Earnings Survey 1995

Non-manual earnings not available for hotels, restaurants or contract catering

Table 8.3

Average gross weekly earnings by occupation, April 1995 (full-time employees on adult rates, commercial sectors of the industry)

	Male	Female	Total
Hotel managers	n.a.	306.10	333.20
Restaurant mgrs	336.30	259.60	293.90
Pub managers	298.40	n.a.	270.20
Chefs/cooks	232.90	178.90	209.90
Waiting staff	189.3	140.40	160.60
Bar staff	181.30	146.20	n.a.
Kitchen porters	153.40	165.00	153.40
Catering assts	171.60	156.80	160.50
Hotel porters	176.60	n.a.	n.a.
Cleaners	202.00	161.50	180.60
Catering occupations	209.50	158.80	185.50

Source: New Earnings Survey 1995, Tables 8, 9 and X2

There was considerable variation in advertised salaries in *Caterer & Hotelkeeper* between 1994 and 1995 (Table 8.4). The highest increase was for room attendants/ cleaners (26%), but this was from a much lower level than any other occupation in 1994. For commis chefs and chefs de partie, there was a 10% increase, probably reflecting the recruitment difficulties/skill shortages referred to in Section 5. At management level, pub managers fared best with 9%. On the other hand, advertised salaries for bar staff fell 8%.

Other evidence suggests that earnings in the hospitality industry are rising at 2.9%[1], just keeping pace with inflation and therefore standing still in real terms. Moreover, an increasing number of employers are said to be introducing performance related pay. Another study, quoted earlier, found that 42% of the catering and hospitality workforce had pay reductions or increases below the level of inflation[2].

Table 8.4
Salaries advertised in the industry's principal trade journal (£000s)

	1994	1995	Change
General manager	23.9	23.1	–3%
Food & beverage mgr	15.8	16.5	+4%
Pub manager	19.2	20.9	+9%
Sales manager	18.0	19.3	+7%
Sales executive	14.6	14.2	–3%
Head chef	16.5	16.8	+2%
Commis chef/ chef de partie	11.1	12.2	+10%
Head waiter/ress	11.7	12.1	+3%
Water/ress	8.4	8.3	–1%
Barman/woman	8.6	7.9	–8%
Head receptionist	13.5	13.1	–3%
Receptionist	9.1	9.0	–1%
Head housekeeper	13.2	13.6	+3%
Housekeeper	9.8	10.2	+4%
Room attendant/ cleaner	6.6	8.3	+26%

Source: *Caterer & Hotelkeeper*, 23 February 1995
Note: for January of years shown

[1] Pay and Benefits Bulletin, No 370, Industrial Relations Services

[2] *After the Safety Net*, ibid

Pay and earnings for part-time female employees

The average gross hourly rate for part-time females in the commercial sectors of the industry was £3.45 in 1994 (Table 8.5). Contract catering offered the highest hourly rate, pubs and bars the lowest. Part-time female chefs and cooks earned £4.13 per hour on average, bar staff only £3.32.

Table 8.5

Average earning for part-time female employees in commercial sectors of the industry, April 1994

	Hourly rate £	Weekly hours No.	Weekly earnings £
All commercial sectors	3.45	17.7	58.80
Hotels	3.38	21.4	65.90
Restaurants/cafés	3.35	19.0	60.40
Pubs and bars	3.24	14.5	49.40
Clubs	3.40	15.6	51.40
Contract catering	3.65	19.1	67.40
By occupation:			
Chefs/cooks	4.13	21.8	89.80
Waiting staff	3.40	16.0	54.10
Bar staff	3.32	14.2	47.40
Kitchen porters	3.65	17.7	63.20
Catering assists	3.91	18.7	73.00
Cleaners	3.88	17.3	67.70

Source: New Earnings Survey 1995, Tables 177 and 178

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